

## In Poland, Military to Win More Power

By John Kifner

**WARSAW** — Poland's parliament has approved a "suspension" of martial law that actually tightens the grip of military rule.

The long-awaited measure, voted Saturday, appeared directed largely at improving Poland's image abroad in the hope that Western trade sanctions would be lifted. It was also an attempt, following the apparent crushing of the Solidarity independent trade union movement, to appeal for popular support for the government.

But the measure kept intact many of the sweeping state powers exercised by the military regime of General Wojciech Jaruzelski. It specified that any or all provisions of full martial law, originally imposed Dec. 13, 1981, could be imposed at any time and made some key martial law practices permanent.

[Poland's Council of State ordered the suspension of martial law Sunday, effective Dec. 31, Reuters reported from Warsaw. The decision had been expected after the vote Saturday by the Sejm, Poland's parliament, and a government spokesman had said last Monday that the suspension would take place Dec. 31.]

It was learned Saturday that the Roman Catholic Church criticized the legislation in a letter sent to the leadership of the Sejm from the



General Wojciech Jaruzelski, Poland's ruler, left, with Deputy Prime Minister Janusz Obozowski during a session Saturday of the Polish parliament, the Sejm, on suspending martial law.

Council of Bishops. The letter was signed by Archbishop Jozef Glemp of Warsaw.

The bishops' letter said the government was moving in the wrong direction and would not regain its credibility by sharpening "the rigors and repressive character of the regulations while at the same time proclaiming a relaxation."

The letter was critical of measures that enabled factory managers and school officials to dismiss workers and students who caused unrest, saying that "such elastic formulas can lead only to the creation of a peculiar psychological terror. This could be a pretext for unjust, arbitrary decisions."

The church also criticized provisions allowing wiretapping, saying

they were contrary to the Polish Constitution. A rule that workers in militarized factories could not resign without their managers' permission was like "tying a worker to a factory on the feudal principle of tying a peasant to the land," the letter said.

But there was little controversy in the Sejm. Every right hand in the 460-deputy chamber went up on the vote giving the Council of State the power to suspend — and reimpose — martial law. There were, however, nine abstentions on the measure outlining specific government powers.

Although the suspension of martial law would mean the end of internment of political prisoners, government officials have said that

some of those interned may now face arrest for specific crimes.

Four interned leaders of the dissident intellectual movement KOR who served as advisers to Solidarity have been charged with plotting to violently overthrow the government. During the period of martial law, according to government figures, more than 10,000 people were interned at one time or another and more than 3,000 arrests were made.

There were small changes in the bill passed Saturday from the legislation presented Monday, the first anniversary of martial law.

Workers or students who engage in strikes or are otherwise regarded as troublemakers can still be dis-

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## Israel Drops a Demand on Talks

### Major Obstacle Removed to Negotiations on Lebanon

By David K. Shipler

**JERUSALEM** — Israel dropped its insistence Sunday on Jerusalem as a site for talks on security arrangements with Lebanon, thereby removing a major obstacle to direct negotiations directed at the withdrawal of Israeli forces.

Israeli officials said they hoped the talks could begin within the next few days.

The retreat was made at Prime Minister Menachem Begin's initiative at the weekly meeting of the Israeli cabinet, according to the cabinet secretary, Dan Meridor. The action followed a reported Lebanese agreement on a negotiating framework that is to include talks on normalizing Israeli-Lebanese trade and tourism relations.

It also followed the return to the Middle East last week of a U.S. special envoy, Philip C. Habib, with a letter to Mr. Begin from President Ronald Reagan urging flexibility. Mr. Habib met Sunday with Mr. Begin.

Israeli officials said, however, that they had no formal word on whether Syria was willing to withdraw its troops from Lebanon. Israel has said that after an exchange of prisoners and the departure of remaining Palestinian guerrilla units from northern Lebanon and the Bekaa valley, Israeli troops would be ready for a simultaneous withdrawal with the Syrians.

Israel is understood to be anxious to establish monitoring stations in southern Lebanon, with access corridors for Israeli personnel. Mr. Begin's government is also said to be hoping for a close working relationship with the Lebanese Army in a 25-mile (40-kilometer) border zone, or a build-up there of the Israeli-supplied Lebanese Christian militia led by Major Saad Haddad.

Originally, Israel made two procedural demands regarding the talks with Lebanon, both aimed at giving relations the aura of diplomatic recognition.

One was to have delegations headed by cabinet ministers, rather than the military officers that Lebanon wanted. On Nov. 28, Israel compromised and agreed that lower-level civilians could head the delegations.

The second, to conduct the negotiations in the two capitals, was an effort to secure de facto Lebanese recognition of Jerusalem as Israel's seat of government.

But the government in Beirut has been anxious to avoid conflict with the rest of the Arab world, which claims Jerusalem as Arab.

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Leading their delegations at a meeting of the Organization of Petroleum Exporting Countries that opened Sunday in Vienna to discuss production levels were Sheikh Ahmed Zaki Yamani, second from left, the petroleum and mineral resources minister of Saudi Arabia; Mani Said al-Oteiba, with beard, the petroleum and mineral resources minister of the United Arab Emirates; and Humberto Calderón Berti, second from right, the energy and mines minister of Venezuela.

## Saudi Minister Sees '50-50 Chance' For OPEC Production Agreement

The Associated Press

**VIENNA** — OPEC concluded the first day of its year-end conference Sunday without agreement on a production-quota plan crucial to the unity of the world oil cartel.

Sheikh Ahmed Zaki Yamani, Saudi Arabia's oil minister, said that chances of reaching the agreement were about "50-50."

"I am not that optimistic, but I think we moved a little bit," said Sheikh Yamani. "It's 50-50 at this stage, and which 50 will prevail, God knows."

Sheikh Yamani said that the conference would continue Monday. Experts have predicted a fall in the price of oil on world markets if the conference ends without an agreement.

In addition to production sharing, the Organization of Petroleum Exporting Countries is expected to discuss proposals to freeze the current \$34-a-barrel base price. On Saturday, some leading ministers predicted the price would not be changed.

In his opening address Sunday, the conference president, Yahya Dikko, Nigeria's oil minister, said: "We must act with resolve to prevent this period of difficulty from becoming a time of crisis which could conceivably engulf us all."

"Conservation and substitution are biting harder than before," he said. "There has been a substantial rise in non-OPEC oil production, which is steadily displacing OPEC supplies."

Mr. Dikko added: "As if all the foregoing problems were not enough, we ourselves spent a whole year and more in disarray over sharing production and uniting prices, thereby helping to further depress the market."

**Struggle for Primacy**  
Earlier, John Tagliabue of The New York Times reported from Vienna:

The bargaining came against a background of efforts by Iran to sharply increase its share of OPEC

production. The Iranian activity is seen as an effort to eclipse Saudi Arabia — until now the group's biggest and most influential producer — as the cartel's economic and political pacesetter.

The meeting was the third attempt to seek a change in the system of setting production ceilings, which was begun last March to support falling oil prices. After attempts in Quito, Ecuador, last May and in Vienna in July, it is thought that a third failure could threaten the unity of OPEC.

At a news conference Saturday in the heavily guarded Intercontinental Hotel, where the closed talks were taking place, Mani Said al-Oteiba, the petroleum and mineral resources minister of the United Arab Emirates, said, "The oil ceilings need to be revised to eliminate violations of the production level of 17.5 million barrels a day."

"How to distribute the new quotas, this is the main subject within

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## Bulgarian Link to Attack on Pope Questioned

### But Israelis, West Germans See East Bloc Role in Terrorism Elsewhere

By Henry Kamm

**JERUSALEM** — Israeli and West German intelligence and security sources with a special interest in international terrorism are skeptical of allegations of a Bulgarian connection in last year's attempted assassination of Pope John Paul II by a Turk.

Intelligence agencies in both countries, however, regard Bulgaria and other countries of the Soviet bloc as important links in a terrorist network.

The Soviet Union and its European allies, as well as China, North Korea, Cuba and Vietnam, are believed by Israeli intelligence officials to be supplying the various branches of the Palestine Liberation Organization, some of which

are mutually antagonistic, with arms and training. The Palestinians, in turn, extend shelter, training and arms to other terrorist groups and sometimes recruit them for their operations.

The West German and Israeli agencies, which maintain close ties with their Italian counterparts, as they do with most others in pro-Western countries, do not regard the Italian secret services as of the highest standard.

They fear that rivalry within the Italian internal security agencies, doubtful evidence or outright "disinformation" may have played a role in the disclosure of information that caused an investigating magistrate, Judge Iliario Martella, to have a Bulgarian airline official in Rome arrested last month on

suspicion of "active complicity" in the attempted assassination of the pope on May 13, 1981.

Judge Martella has also moved for the lifting of diplomatic immunity from two members of the Bulgarian Embassy's staff so that they may issue arrest warrants for them on related charges. Both have been withdrawn to Bulgaria.

The sources interviewed in Israel and West Germany do not claim possession of evidence exonerating Bulgarians from having aided Mehmet Ali Agca, who is serving a life term in Italy for having fired the shots that seriously wounded the pope. But separately and firmly, they stated their belief that Bulgaria, whose secret service they consider an adjunct of the Soviet KGB, would not have taken so

grave a diplomatic risk for so nebulous a political advantage with such a high chance of the plot's disclosure.

The skepticism of the intelligence agencies is more striking in Israel, which has waged a consistent campaign to convince the world that Palestinian terrorism is a creature of Soviet policy and the source of other terrorist acts in Western nations, and thus would have been happy to have been able to implicate Palestinians or Bulgarians in the shooting of the pope.

The Israeli intelligence officials said Israel had captured enough men, material and documentation during the war in Lebanon to sustain Israel's charges against the Soviet Union and its satellites. They said, however, that they had seized 28 Turks, but no West European or Japanese terrorists, in their occupation of Palestinian camps and bases.

They said they had shared documentary evidence of Turkish, West German, Italian and Irish terrorists who had been trained in Lebanese Palestinian camps and would not be surprised if recent arrests of suspects, particularly in Italy and West Germany, had resulted from such intelligence.

Confirming a report from a high-ranking West German Interior Ministry official, an Israeli intelligence source said a number of Palestinian activists who had fled from Beirut during the Israeli siege had been given shelter in Bulgaria. He reported that three officers of the Popular Front for the Liberation of Palestine, a leftist hard-line group, were now staying at the Vitosha Hotel in Sofia.

Reports originating in Italy, believed to derive from continuing "confessions" by Mr. Agca, had described the Vitosha as a meeting place for terrorists, gunrunners and narcotics smugglers.

The source said Israeli intelligence had traced no movement of PLO activists to other communist countries since their departure from Beirut. But he said the granting of asylum to Palestinian militants marked the second time Is-

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## Russia Denies Role in Pope Attack

By John F. Burns

**MOSCOW** — The Soviet Union has issued a statement strongly denying that there was any complicity by Moscow in the attempt to assassinate Pope John Paul II.

The statement Saturday also dismissed Western speculation on the matter as "a campaign totally steeped in lies."

The three-paragraph item was unusual in that it carried the heading "statement" but gave no attribution to the government, as is usually the case with such declarations. But its importance was indicated by its appearance in Saturday's issues of Izvestia and Pravda, the principal government and party newspapers, and by its appearance three times in 24 hours in the English-language service of Tass.

The statement gave Soviet readers none of the background against which Western speculation about the assassination attempt has developed. Suggestions of possible Soviet involvement were made by officials in Italy and elsewhere after Italian authorities began investigating reports that implicated a number of people from Bulgaria,

perhaps the Soviet Union's most faithful ally in the Eastern bloc.

"Absurd insinuations that some socialist countries are involved in the attempt made on the life of Pope John Paul II in May of last year have been circulated in a number of Western states lately," the statement said. "This campaign, totally steeped in lies, is spearheaded against Bulgaria. Foul nods are made from time to time also in the direction of the Soviet Union."

"Such statements should be ignored in general," the declaration said, but then alluded to one reason the suggestion of a Soviet connection had prompted such an authoritative and emphatic rejection — the danger that the allegations might incite new trouble in Poland, the pope's native country.

"Attempts are being made to speculate on the feelings of trusting people, in particular believers," the statement said. It offered no elaboration, but Soviet citizens are generally well aware that the overwhelming majority of Poles are Roman Catholics and that Pope John Paul is a Pole.

Another apparent reason for the unusual insistence with which the denial was issued — it is rare for

Tass to publish any item three times — is that the new Soviet party leader, Yuri V. Andropov, was chairman of the KGB, the state security agency, at the time of the attempt on the pope's life.

Last September, Radio Moscow denounced as "absurd" and "unfounded" allegations in a Reader's Digest article that the Kremlin in fact planned or acquiesced to the attack.

Most of the speculation on Bulgarian and Soviet involvement in the attempt has focused on the advance of the KGB. Theories linking the KGB to a conspiracy began spreading after a Bulgarian airline employee was arrested in Rome on suspicion of complicity with Mehmet Ali Agca, the Turkish citizen convicted of shooting the pope. The Italians are also seeking other Bulgarians, including two diplomats who returned home recently.

Perhaps more than any of its counterparts in the Soviet bloc, the Bulgarian secret police operates as an advance of the KGB. Theories linking the KGB to a conspiracy began spreading after a Bulgarian airline employee was arrested in Rome on suspicion of complicity with Mehmet Ali Agca, the Turkish citizen convicted of shooting the pope. The Italians are also seeking other Bulgarians, including two diplomats who returned home recently.

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## Social Democrats Sweep Hamburg In Setback for Kohl Government

By James M. Markham

**BONN** — In the first test of opinion since the formation of West Germany's conservative government 11 weeks ago, the opposition Social Democrats won a stunning majority victory Sunday in elections to the state legislature in Hamburg.

The Social Democrats' sweep, which had not been expected, was a big boost for the party as it heads into a national election campaign against Chancellor Helmut Kohl's Christian Democrats. The triumph ended a situation in Hamburg in which the radical Greens party had held the balance between the two major parties.

Helped by former Chancellor Helmut Schmidt, who campaigned actively in his home town, the Social Democrats won 64 seats in the 120-member Hamburg senate while the Christian Democrats tumbled from being the biggest party to 48 seats, according to the election authorities.

The Greens lost one seat, dropping to eight. The Free Democrats, junior members of Mr. Kohl's gov-

erning coalition, were again blocked from the legislature, further darkening their prospects for survival as West Germany's third party in the general elections expected in March.

Both Mr. Schmidt and the incumbent Social Democrat lord mayor, Klaus von Dohnanyi, attempted to turn the Hamburg vote into a referendum on Mr. Kohl's coalition. They accused the coalition of siding with the rich against the poor through cuts in welfare benefits and student loans and legislation that makes it easier for landlords to raise rents.

Mr. Schmidt declared Sunday that the vote was "a considerable nationwide signal" to the Kohl government, which on Friday intentionally lost a confidence motion to open the way to national elections. The former chancellor said citizens had expressed their "outrage" over Kohl policies that demanded sacrifices by the poor "while the affluent go untouched."

In elections in June, while Mr. Schmidt was chancellor, the Christian Democrats edged out the Social Democrats by one seat, but

both parties were short of a majority.

Amid growing national concern that Hamburg's paralyzed legislature could become a model for Bonn, the senate was dissolved in October for new elections. There was little expectation that one party could win a majority.

But, in a turnout of almost 80 percent of the city-state's 1.2 million voters, the Social Democrats increased from their 42.7 percent share of the popular vote in June to 51.3 percent, according to final official figures. The Christian Democrats fell from 43.2 percent to 38.6 percent, and the Greens fell from 7.7 percent to 6.8 percent.

The Free Democrats, who have become badly divided and demoralized since they began supporting Mr. Kohl in September, received only 2.6 percent of the Hamburg vote, as against 4.9 percent in June. A party needs at least five percent to secure parliamentary representation.

Hamburg has been a Social Democratic bastion since the end of World War II, and the party appeared Sunday to have recouped



Helmut Schmidt

a large number of middle-class and working class voters who had previously drifted to the Christian Democrats. It also improved its share of young voters by nine percent, according to one analysis.

Mr. Kohl's party still holds a large edge over the Social Democrats in nationwide opinion polls. But the Hamburg vote underlined the dangers for the governing coalition in pursuing economic policies that demand austerity.

## Shultz's European Tour: An Apparent Victory for Quiet Diplomacy

By Michael Geiler

**LONDON** — George P. Shultz has apparently produced a victory for quiet diplomacy in his first voyage through Western Europe as secretary of state.

What remains to be seen after he returned to Washington on Saturday, the last of 13 days of travels to seven allied capitals, was the durability of gains that Mr. Shultz seems to have achieved. Those gains were in restoring a measure of trust to the U.S. leadership, polishing the Reagan administration's badly tarnished image in Europe, achieving somewhat better unity within the Atlantic Alliance and, perhaps most important, defusing sharp disputes literally over bread, butter and ideology that had threatened to divide the alliance.

Mr. Shultz, a former corporate executive, business school dean and Treasury secretary under President Richard M. Nixon, showed that he was able to apply his penchant for quiet problem-solving to foreign policy in visits to West Germany, Belgium, the Netherlands, Italy, France, Spain and Britain.

Just one month ago, U.S. relations with France were severely strained. The French expressed deep resentment over the White House's implication that France had made concessions in its attitude toward trade with Moscow to induce the

United States to lift sanctions on suppliers to the Soviet natural gas pipeline project.

Yet last week, Mr. Shultz and France's external relations minister, Claude Cheysson, sat together, formally attired, sipping brandies, calling each

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other by their first names and explaining to reporters how they had agreed on new studies on trade with Moscow.

Just one month ago, the prospect of an agricultural trade war loomed between an increasingly angry United States and most of Western Europe's heavily subsidized producers.

Yet 12 days ago in Brussels, Agriculture Secretary John R. Block said that there would be a sort of truce while a group was established to study the problem more thoroughly.

Sitting next to Mr. Block was Mr. Shultz, a pleasant man who does not ruffle easily and who, in private sessions with quarrelsome U.S. and European officials, had cooled the rhetoric and set up the study group.

But the real test will come this spring, when the results of the study are known. Only then will there be a clearer picture about whether there is a real willingness to compromise or whether disputes have merely been postponed.

In London, Mr. Shultz also met with U.S. am-

bassadors from throughout Europe. Several said privately that they were not as optimistic as Mr. Shultz about the durability of some of the accords. If there was any private criticism of the secretary of state, it was said to be about his seeming unwillingness to disclose whatever complaints he had heard during his travels.

In his five months as secretary, as in much of his career, Mr. Shultz has been known as a highly intelligent and effective conciliator, a management expert and economist who believes in talking things over. But if the study groups fail to produce compromise, Shultz the conciliator may become Shultz the arm-twister.

Such a situation could develop with the new Socialist government of Prime Minister Felipe Gonzalez of Spain.

Mr. Shultz, 62, and Mr. Gonzalez, 40, got along very well at a meeting in Madrid, observers for both sides said. The visit was deemed important because Mr. Gonzalez promised during his election campaign to review and submit to public vote the decision by his predecessors to join NATO.

The United States wants Spain to stay in the alliance, and the Spanish government — certainly its military — is probably inclined to remain. Public opinion, however, seems to be against membership.

Mr. Shultz went to Spain to put Mr. Gonzalez

at ease. But some Spanish observers say it may be a year or two before Mr. Gonzalez is strong enough politically to try to persuade Spain to stay in NATO, if that is what he favors. And some allied officials say that NATO will not tolerate that wait, forcing Mr. Shultz to exert pressure sooner rather than later.

The picture of Mr. Shultz as a pragmatist and executor of President Ronald Reagan's foreign policy seems accurate. During his trip, Mr. Shultz revealed very little about himself or his ideas. He prefers little or no public discussion of issues by officials until government decisions are made.

His performance is in sharp contrast to that of his predecessor, Alexander M. Haig Jr. A U.S. diplomat said: "It's nice to have someone calm again."

President François Mitterrand of France is said to have told colleagues that his meeting with Mr. Shultz was the best he has had in many years with a top U.S. official, according to French officials.

Mr. Shultz's favorable reputation abroad can also be explained by his style and presence. While he seems so low-key to reporters that it is frequently not clear how he feels about something, authority seems to flow naturally to him.

"In six months, Mr. Shultz has made a major mark upon the world," Foreign Secretary Francis Pym of Britain said Saturday.

In a remark echoed in all the capitals visited by Mr. Shultz, Mr. Pym added: "And he has certainly put his stamp on United States foreign policy."

If Mr. Shultz is putting his own stamp on foreign policy, it may well be in stressing the link between international economics and diplomacy. He discusses economics eagerly and often with all foreign leaders.

Like many Europeans, Mr. Shultz tends to measure security questions with economic data rather than exclusively in terms of military power.

In simple terms, his aides say, he believes that if the West improves its economies it will first help itself, improving cohesion within the alliance, making defense more affordable and reducing pressure to sell to Moscow, at reduced prices, goods that could strengthen the Soviet Union.

It will also, he believes, eventually rejuvenate Third World markets, removing instability that the Russians can exploit.

Mr. Shultz seems comfortable echoing Mr. Reagan's basic instincts about the Soviet threat. But he does not believe that economic pressure will humble Moscow, his associates say, and he tried to reach out cautiously throughout his trip with a message that the United States was prepared to respond positively to initiatives to improve relations.

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■ Following new revelations of Argentina's role in covert operations in Central America, military leaders reportedly have assured protesting Argentine government officials that military personnel have been withdrawn from the area. Page 5.

■ North Korea has become the leading supplier of arms to Iran in an arrangement that has helped Iran finance its continuing war with Iraq, according to a high-ranking U.S. defense official. Page 2.

■ A U.S. plan to move its European military headquarters from West Germany to Britain in the event of war has touched off a controversy in West Germany over America's determination and ability to defend Europe. Page 3.



## Cairo Trying to Cope With Flood of Disasters

Broken Sewer Main, Water Shortage Push City to Environmental Precipice

By David B. Ottaway

Washington Post Service

CAIRO — A spate of local disasters this month has brought home to Egyptian authorities and 12 million Egyptians alike just how fine a line this ancient Nile Valley city, engulfed in humanity, is walking on the precipice of environmental catastrophe.

In early December, a major sewer main — rusted, overworked and unattended — burst in the middle-class district of Giza, home to the pyramids, many fancy nightclubs and tourist hotels and about three million Egyptians.

Lakes of sewer water sprang up overnight in some low-lying sections of Giza and the neighboring Dokki and Mohandessin districts. In other sections, residential areas were reminiscent of Venice, with crisscrossing canals running between rows of buildings.

With no place to go in the overcrowded city, few Egyptians have abandoned their homes and instead cope as best they can with the filthy water and the stench. Sewer water also began bubbling up in central Cairo, on the east bank of the Nile, apparently because of a backup in the whole system.

The troubles did not stop there. The city authorities, to stem the sea of sewer water, cut back on the water supply to reduce the pressure. As a result, hundreds of thousands of people found themselves with little or no drinking water.

The water shortage, in turn, provoked a crisis for bakeries, which could not turn out their usual mountains of the disk-shaped bread known as ash baladi, which, together with fava beans, is the mainstay of the poorer classes. It is also considered a key to the political stability of any regime in Cairo.

The government, fully aware of the importance of bread to its survival, went on full alert. President Hosni Mubarak made it known that a hasty repair of the sewer main was a top priority and ordered progress reports every four hours.

The first reports said repairs would be finished in a few days. But each day has brought a readjustment in estimates of when the water and sewerage systems will be flowing normally again.

As if a sea of sewer water on the loose were not enough, a week after the main broke Dec. 3, a six-story building in the Bassatine district collapsed, killing 47 residents. Old homes and buildings crumble away regularly in Cairo, but seldom is the death toll so high.

The next day, a fire broke out in the Carlton Hotel in the seaside resort of Alexandria, killing 10 persons and injuring 14. Such fires are a rarity in Egypt.

Many Egyptians have reacted to the discomforts of life in Cairo with the phrase that has become a national reflex toward the daily travails: "ma a'lesh," or "never mind."

But outsiders soothsayers who for years have been predicting "apocalypse now" for Cairo saw in the huge sewage spill and water shortage the long overdue fulfillment of their prophecy.

After all, they noted, the Cairo sewerage system was built in 1914 for a city of less than one million, and the waterworks date from 1865.

The infrastructures of the big cities are "usually disintegrating," said the English-language Egyptian Gazette. "Water networks and sewage systems are in dire need of renovation. What is even more deplorable is that authorities have been aware of such dangers for more than 20 years."

U.S. specialists working with the Agency for International Development say the Egyptians have started overhauling the Cairo sewerage network, with help from the United States and Britain.

Work on new pipes was nearly completed when the big main burst. Water and sewerage authorities were caught in a race against time in replacing steel pipes having a 10-year life span that were laid 14 years ago, AID specialists said.

"The break just beat them to the finish," said one. "Actually they are doing very well."



Two Bulgarians implicated in the shooting of Pope John Paul II appearing at a news conference in Sofia. Italian authorities have issued an arrest warrant for Vassiliev Gueffo Kolev, right, who was secretary to the military attaché at the Bulgarian Embassy in Rome, and attempted to revoke the diplomatic immunity of Teodoro Ayzarov, left, who was a cashier at the embassy. Both have been recalled home. Seated between the two at the session Friday was Mrs. Rosica Antonova, whose husband, Sergei Ivanov Antonov, an official of the Bulgarian airline, is being held in Rome on charges of complicity in the shooting.

## U.S. Aide Notes Close Andropov-Bulgaria Ties

By Murray Marder

Washington Post Service

WASHINGTON — Richard Pipes, President Ronald Reagan's departing chief adviser on the Soviet Union, says that if Bulgarian operatives were behind the attempt to assassinate Pope John Paul II last year, the chain of responsibility runs all the way to Yuri V. Andropov, the new Soviet leader.

"There is a big 'if' in the link, however," Mr. Pipes emphasized after he made the assessment of Mr. Andropov's possible complicity in a television interview Friday with the Cable News Network.

Mr. Pipes told the network that any Bulgarian conspiracy to kill the pontiff would "certainly" have involved the KGB, the Soviet secret police. Therefore, he added in a reference to Mr. Andropov, "it could not have occurred without his authorization."

Mr. Andropov was head of the KGB until last spring, when he joined the Central Committee of the Communist Party.

Last month he succeeded the late president, Leonid I. Brezhnev, as the party chairman.

Mr. Pipes stressed Saturday, after the interview was aired, that "the Bulgarian connection has not been solidly made — and it is only inferential." On television, he had said that "to me the evidence is very strong."

Furthermore, Mr. Pipes said Saturday, he was not basing his assessment on official intelligence reports. His information, he said, came from press accounts of the investigation into the attack on the pope in St. Peter's Square on May 13, 1981, and "a gut feeling of how these people operate."

Mr. Pipes said that, until the investigation was completed, "it would be very risky for the president to come out and say anything changing the Bulgarian line alone the Russians, with complete confidence."

Mr. Reagan, in a national radio interview Saturday, said of the investigation, "I don't think I should express a belief on this. I'm just going to wait and see what the investigation brings."

Mr. Pipes was the first prominent official in the West to speculate publicly about Mr. Andropov's possible involvement.

He gave the television interview on his last day as director of East European and Soviet affairs for the National Security Council staff. He is returning to his post as professor of Russian history at Harvard University, but is expected to continue as a consultant to the National Security Council.

Asked in an interview how he would assess his impact on U.S.-Soviet policy during 22 months at the White House, Mr. Pipes said, "To the extent that it is possible for one staff member to have that,

I think I've had some influence, largely because of the way the president thinks, and my thinking happens to agree with his thinking."

Referring to his and the president's advocacy of firmness in dealing with the Soviet Union, he added, "The problem is that, throughout the professional civil service, there are people who don't share this view. They'll conform, if they have to, but deep in their hearts they don't believe in it."

Mr. Pipes, 59, has often disputed official views on the Soviet Union. In 1976, he headed a challenge inside the federal bureaucracy on intelligence estimates of Soviet

military strength. His assessment was that the Soviet threat was greater than believed.

Under Mr. Reagan, Mr. Pipes was not a power in bureaucratic maneuvering, but he supplied academic reinforcement for Mr. Reagan's attitude toward the Soviet Union. A colleague said, "He gave intellectual credence to the visceral predilections of the California crowd."

In the month since Mr. Andropov has been in power, "I don't see anything dramatic happening there at all," Mr. Pipes said. But, he added, a new Soviet leader "has to engage in the most vicious kind of bureaucratic infighting."

## Bulgarian Role in Attack Doubtful

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Israeli intelligence had noted special Bulgarian consideration for such groups.

He said that in June 1980, two Palestinians of the Abu Nidal organization, an anti-PLO terrorist group said to be operating on behalf of Iraqi intelligence mainly against Jewish targets in Western Europe, left Baghdad in a Mercedes 200 car bearing Kuwaiti license plates. Half of the fuel tank, he said, was taken up by a compartment that contained 30 Soviet-made Makarov and Tokarev pistols, four Polish-made Wz-63 machine pistols and 400 rounds of 9mm ammunition.

The car crossed Turkey without being searched at the borders, but Bulgarian inspectors discovered the cache. The men were jailed, but 35 days later they were said to have been released and the arms placed back in the fuel tank. The car crossed Yugoslavia and Italy unscathed, the source said, but the trail petered out when, in late July, in Rome, an Italian and a man of Arabic appearance carried off the arms and ammunition in large suitcases.

Asserting another link between

a communist country and Palestinian terrorism, an official placed on his desk a Wz-63 machine pistol that he said was the weapon with which the Israeli ambassador in Britain, Shlomo Argov, was critically wounded last June.

He said the gun had traveled from Warsaw to Baghdad and then to London in the Iraqi diplomatic pouch. In London it was handed to the assassins, he said. The attempted assassination was invoked by Israel to justify the invasion of Lebanon.

Israeli intelligence sources said they had identified training centers for Palestinians in the Soviet Union and all its European allies except Poland, as well as in Yugoslavia. The principal centers in Bulgaria were identified as Adropola, north of Varna (19 kilometers) north of Varna, and the Bulgarian Army camps of Salvan and Smolyan.

The main Czechoslovak camp was said to be near the famous Hapsburg spa Karlovy Vary. In East Germany, Palestinians are said to be training near Chemnitz, also known as Karl-Marx-Stadt. In the Soviet Union, Simferopol in the Crimea was said to be the camp for ground troops, while pilots are being trained near Moscow.

At the Karlovy Vary installation, the training was said to be conducted by KGB officers, while Soviet military intelligence is believed to be running another camp at Doupov. The Bulgarians and East Germans are believed to be conducting their own training, and Bulgarian experts were reported also to have been active in camps in Lebanon.

In the absence of evidence, West European and Israeli analysts and intelligence officials speculate about the source and aim of the charges of what is being called "the Bulgarian connection" to the pope's shooting. Much of the skeptical speculation centers on "disinformation," or the circulation of false information with the intent of embarrassing an opponent.

In these theories, the target is Yuri V. Andropov, the new Soviet leader and longtime KGB chief, whose position might be weakened were his organization found to be involved in the attempted slaying of the pope. The possible source of the disinformation in these hypotheses could be either internal rivals or external foes of Mr. Andropov.

The Israeli sources said evidence of specific acts by communist countries in support of specific terrorist operations was rare. What is depicted as firmly established is a heavy flow of communist arms to Palestinian bases and military training of Palestinians in communist countries. An official said Bulgaria played a leading role in both. An Israeli source said that, from 1979 until the Lebanon invasion of last June, the Black Sea port of

Varna, Bulgaria, handled 80 percent of a flow of arms for the Palestinian forces in Lebanon. The shipments went to the Lebanese ports of Tyre and Sidon and the Syrian port of Latakia, from where it was sent south overland. All the European communist countries contributed to the flow, and East Germany and Czechoslovakia also shipped directly by air, usually through Damascus, the source said.

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## Taking Oil for Arms, N. Korea Helps Iran In Gulf War, U.S. Says

By Richard Halloran

New York Times Service

WASHINGTON — North Korea has become the leading supplier of arms to Iran in an arrangement that has helped Iran finance its continuing war with Iraq, according to a high-ranking U.S. official.

The official, Francis J. West, assistant secretary of defense for international security affairs, said that Iran has been paying North Korea partly in cash and partly in oil.

Military analysts, who provided details at Mr. West's request, said that North Korea had provided about 40 percent of the approximately \$2 billion worth of weapons, ammunition and equipment Iran acquired abroad this year.

To pay for the arms, oil industry analysts said, Iran has increased its oil production beyond the limits set by the Organization of Petroleum Exporting Countries. They said that it had also cut prices below those of OPEC and established the guns-for-oil bartering arrangement with North Korea. The industry analysts said that Iran's reported policy was likely to be a topic of discussion at the OPEC meeting Sunday in Vienna.

North Korea obtains arms primarily from the Soviet Union, and specialists on the Gulf region said the North Korean arms shipments appeared to be part of an intensive Soviet effort to gain influence in Iran.

How successful that effort has been is unclear. Intelligence officials said earlier this month that Iran had obtained from North Korea, Libya, Syria, Israel, the Soviet Union and several West European countries had enabled Iran to continue the war with Iraq, which is supported by Saudi Arabia and other Arab nations.

The officials said that the arms sales might permit Iran to prevail and thus to spread its Islamic revolution as Ayatollah Ruhollah Khomeini, the Iranian leader, seeks to overthrow President Saddam Hussein in Iraq.

In an interview, Mr. West described the Iran-Iraq war as a standoff, with each side trying to wear down the other.

In surpassing other suppliers of arms to Iran, North Korea, according to the military analysts, has shipped 150 Soviet-made T-62 tanks, 400 guns, 1,000 mortars, 600 anti-aircraft machine guns, 12,000 smaller weapons and ammunition obtained from the Soviet Union or China or produced in North Korea. Most of the shipments have been by sea, although Iranian 747 aircraft have flown parts from Pyongyang through Beijing to Tehran, the intelligence officials said.

North Korea has also dispatched 300 military instructors to Iran, military analysts said. Many North Korean officers have been trained by the Soviet Union.

"The Russians are using their proxies on this case," said Alvin J. Cottrell of the Center for Strategic and International Studies at

Georgetown University in Washington. "That is one way the Soviets can help Iran, which the Soviets want to do very much."

Mr. Cottrell said that "the Russians don't know any better than anybody else who to get hold of in Iran," with its murky politics under Ayatollah Khomeini. "What they are doing is getting ready for the post-Khomeini period," he said.

The military analysts declined to disclose their methods of obtaining information on North Korean arms shipments. But satellite and aerial photography is capable of detecting close-up pictures of ship loadings or unloadings. Ships from North Korea to Iran must pass by U.S. warships and under aircraft from carriers strung out through the East and South China seas and through the Indian Ocean.

Iran appears to have paid for the weapons from a \$4.2-billion special military budget added to its regular military appropriation for this year. Those funds also covered war damage repair, imports of refined oil products, and refugee relief, according to Khomeini's office, the Brookings Institution, a research organization in Washington.

In turn, the funds have come from a resurgence of Iranian oil production, Mr. Bakhtash wrote recently that oil in Iran "accounts for over 80 percent of all government revenues and now constitutes over 90 percent of foreign exchange earnings."

Before the revolution that brought Ayatollah Khomeini to power in 1979, Iran produced 5.5 million barrels of oil a day. That dropped to a low of 600,000 barrels a day in October 1980, then rose slowly to average 1.4 million barrels a day in 1981.

After the conflict with Iraq started, however, Iran began pumping oil to pay for the war. Since May, production has been 2.5 million barrels a day, with indications that the Iranians are seeking an OPEC quota of three million barrels a day. Its quota now is 1.2 million.

Moreover, the agreed OPEC price for that oil is \$34 a barrel, and Iran has been selling it for less than \$30. Iran and Libya — which has also been cutting prices to buy arms for separate reasons — "are the cheaters of OPEC," Mr. Cottrell said.

The Tehran radio announced recently that Iran and North Korea had agreed to a contract under which four million tons of Iranian crude oil, or about 25.4 million barrels, would be shipped to North Korea over the next four years. North Korea has no oil resources of its own.

For North Korea, the arms sales have evidently been a windfall. In the late 1970s, North Korea ran so short of foreign exchange that it had to renounce on several import contracts. Moreover, its arms industry may suffer from overcapacity, since North Korea has recently spent 20 percent of its gross national product on its armed forces and may have reached a plateau.

## WORLD BRIEFS

### Moscow Rejects Reagan Missile Plan

MOSCOW (AP) — The Soviet Union has virtually ruled out further discussion of the "zero option" for reducing medium-range nuclear weapons in Europe, saying the U.S. proposal is blocking progress at arms limitation talks in Geneva.

"He who continues clinging tenaciously to the American 'zero' does not wish an agreement at Geneva. He wishes a deployment of new American missiles in Europe — and nothing more," said a commentary distributed Saturday by Tass, quoting an article in Pravda, the Communist Party newspaper.

President Ronald Reagan has offered to scrap plans to station 572 U.S. Pershing-2 and cruise missiles in Western Europe starting late next year if the Soviet Union dismantles more than 300 SS-20 missiles, each with a triple nuclear warhead, aimed at targets in North Atlantic Treaty Organization countries. The arms talks, now recessed, are to resume Jan. 27.

### Sadat's Brother Brought to Trial

CAIRO (WP) — Esmat Sadat, a brother of the late President Anwar Sadat, went on trial Saturday before a special court of ethics on 24 charges of corruption, tax evasion, fraud, black-market dealings and influence peddling. Indicted on similar charges are one of his wives, six of his sons, one daughter and two in-laws.

The prosecution has asked that five members of the family be sentenced to a year in prison and that the property of all 11 charged — estimated at more than \$200 million — be confiscated. The four-man defense team pleaded for more time to prepare its case, and Chief Justice Rifat Khafagi agreed to postpone the trial until Jan. 10.

The trial is widely regarded as a test of President Hosni Mubarak's determination to clamp down on the widespread corruption he accompanied by Anwar Sadat in 1974. Esmat Sadat, 58, was a bus driver earning less than \$100 a month before the policy went into effect.

### China Plans to Double Oil Output

BEIJING (Reuters) — China announced plans Sunday to double its oil production by the year 2000, and disclosed economic targets that include a 25-percent increase in imports.

Crude oil output in China has leveled off at about two million barrels per day, and the 1983 target announced on Sunday was the same. But China hopes to tap big offshore reserves with the aid of U.S., West European and Japanese firms by the end of the decade, and the Xinhua news agency quoted Xia Guozhi, deputy minister of geology and minerals, as saying that the government intends to find sufficient reserves to double oil output by the end of the century.

Listing economic targets for 1983, the news agency said that China wanted to expand its foreign trade next year by 14.4 percent to 68.4 billion yuan (\$35.2 billion) over the estimated figure for this year of 59.8 billion yuan. Exports were set to increase by 4.8 percent to 32.8 billion yuan, and imports by 25.3 percent to 35.7 billion yuan, Xinhua said.

### For the Record

NEW DELHI (Reuters) — Foreign Minister Nguyen Co Thach of Vietnam has ruled out a withdrawal of Vietnamese forces from Cambodia until the elimination of what he called a Chinese threat to Indochina. Mr. Thach, who ended an official visit to India and went to Moscow on Sunday, made the statement at a news conference Saturday.

DETROIT (UPI) — Swiss officials have denied immigration rights to Valerian Trifa, a Romanian Orthodox archbishop who was ordered deported from the United States because of charges that he committed crimes during World War II, according to Justice Department officials.

PRETORIA (UPI) — Foreign Minister Roelof F. Botha and officials from Mozambique met Friday at Komatipoort in the first known official contact between South Africa and its Marxist eastern neighbor for several years. South African officials declined to give details on the talks.

## Prime Minister Resigns After Loss in Portugal

Reuters

LISBON — Prime Minister Francisco Pinto Balsemão announced his resignation Sunday, a week after his Social Democratic Party suffered significant losses in local elections.

The president, General Antonio Ramalho Eanes, can dissolve Parliament and call elections or ask the governing rightist coalition, the Democratic Alliance, to form a new government. He will decide whether to call the elections after Mr. Balsemão formally presents his resignation Monday.

In a statement announcing his resignation, Mr. Balsemão said there was no reason to hold elections before Parliament's mandate expired in 1984. But the Socialist and Communist opposition urged General Eanes to dissolve Parliament.

Explaining his resignation, Mr. Balsemão said he had decided to devote himself entirely to the Social Democratic Party, which emerged as the biggest loser in local elections Dec. 12. He also accused other members of the Democratic Alliance coalition, including his own Social Democrats, of betraying him.

Mr. Balsemão gave no indication of who would succeed him if no elections were called. He did not call the elections, the next government will be formed by the Democratic Alliance. The coalition, dominated by the Social Democrats, includes the Christian Democrats and the tiny Monarchist Party. It has a comfortable parliamentary majority.

The three leading candidates to succeed Mr. Balsemão are former Prime Minister Carlos Mota Pinto, who held office for six months in 1979, Finance Minister João Salgueiro and João Mota Amaral, head of the Azores regional government.

Mr. Balsemão made his resignation statement during a meeting of the Social Democrats' national leadership. He said he had told General Eanes of his decision to resign, thus bringing down Portugal's 14th government since the revolution in 1974 ended 40 years of dictatorship.

He said he had achieved the main goals he had set despite obstacles put up by his opponents in the rightist coalition, the leftist opposition and other "organs of sovereignty." This appeared to be an allusion to General Eanes, who has often sided with the left.

Mr. Balsemão listed his greatest achievement as the conclusion of last summer's constitutional revision, which strengthened civilian control of government by abolishing



Francisco Pinto Balsemão

ing a powerful military oversight

Mr. Balsemão said he had decided long ago to step down in order to dedicate himself to the party. But the electoral setback appeared to have precipitated his resignation. The election was Mr. Balsemão's first electoral test, and he had said he would regard it as a popular verdict on his leadership.

Meanwhile, in northern Portugal, rioting erupted Sunday when the authorities tried to repeal local elections that were postponed a week ago after protesters stormed polling stations in the small town of Vizeia. They were demanding their own local council.

On Sunday, hundreds of residents, summoned by church bells and fire alarms, damaged polling booths and tore up young slips after defying riot police with shouts of "This is not Poland." The police charged the demonstrators but later left the town.

## More Power For Military

(Continued from Page 1)

missed, but now there is an "explanatory procedure" first. A worker in a militarized factory can now appeal the refusal of his manager to let him resign.

But, in sum, the measures institutionalized martial law measures. Prohibitions against distributing or owning illegal pamphlets, films, tapes or publications were put into the criminal law, and any attempt to cause "disorder" was also made a crime.

Military courts for major "economic" or "social" crimes were kept, as was effective militarization of key mines, transport facilities and factories.

Poland Denies Jamming

The Associated Press reported from London that the Polish authorities have denied jamming British Broadcasting Corporation radio broadcasts to Poland during the temporary detention Thursday of Lech Walesa, the Solidarity leader.

A BBC spokesman said Friday that the Poles, in an apology to the BBC, attributed the interference to "generator malfunction" and said they had taken all necessary steps to rectify the situation.

## Saudi Sees '50-50 Chance' Of OPEC Output Agreement

(Continued from Page 1)

the conference," Mr. Oteiba said.

Participants said the ministers of all 13 member countries would try to reach a framework for an agreement whose details could be completed at formal sessions Sunday and Monday.

Mr. Oteiba said the ministers wanted production ceilings to be allocated on the basis of projected demand for 1983. "In other words, if demand on OPEC oil is 18 million barrels per day, we are going to use 18 million barrels as a base for new ceilings," he said.

The dispute is essentially a result of Iran's demand that its present level of production of almost three million barrels a day be recognized as an official quota, as opposed to its current quota of 1.2 million barrels. To offset that increase, Iran is pressing demands that Saudi Arabia reduce its quota from 7.5 million barrels a day; Saudi Arabia actually produces less than that, to try to support OPEC prices.

Iran's minister of petroleum, Mohammed Ghazali, has left little doubt about his country's goal. Talking to reporters late Friday night, he said, "We believe that if we receive the three million quota, which is our share, then definitely we will become one of the political powers in OPEC."

In a thinly veiled allusion to Saudi Arabia, Mr. Ghazali said the higher quota would enable Iran to "relieve" other OPEC members "from other powers, which have been working against them."

Mr. Ghazali contended that Saudi Arabia's current oil production was seven million barrels a day, while Saudi Arabia says it is six million.

The Iranian minister and other Iranian officials argue that four criteria should determine specific international quotas: population, oil reserves, historic oil-production levels and social and economic needs.

There were indications that Saudi Arabia was becoming increasingly isolated at the conference as several representatives threw their support behind the Iranian position.



# I for Arms Helps In ar, U.S. & Russian Arms Cuts U.S. Ranchers Seek Russian Arms Cuts Clad in Western Dress, Americans Lobby in Moscow in Private Effort

By John F. Burns  
New York Times Service

MOSCOW — Five ranchers in plaid shirts, silver-buckled belts and down vests arrived here 10 days ago from the American West to campaign for a freeze on nuclear weapons. They have made for a colorful contrast with the officials of the Soviet Committee for the Defense of Peace who have been their counterparts in discussions.

Touring the Kremlin and other Moscow sites, the Americans — two women and three men — who call themselves Ranchers for Peace — have attracted more than the usual attention from Russians who have never been closer to a cowboy than the Marlboro man, the motif of one of the Soviet Union's most sought-after T-shirts.

One of the women, Linda Kirkbride, a transplant from Idaho, with her husband, Alan, runs a fourth-generation cattle ranch in Laramie County, Wyoming. Against the MX, the Kirkbrides ranch is only a short distance from the area near Cheyenne chosen by President Ronald Reagan as the site for the "dense-pack" missile deployment that was voted down



American ranchers on a trip to the Soviet Union as part of an arms-freeze campaign were interviewed in Moscow by a Soviet TV correspondent, far left. The ranchers, from left, are John McNamer, Marvin Kammerer of Meade County, South Dakota, and Linda Kirkbride.

from New York to Seattle last summer after an anti-nuclear rally in Central Park.

The five Westerners said they approached the Soviet Embassy in Washington last month aware that visits such as theirs could be abused. They argue, however, that the risks inherent in new weapons programs demand that "ordinary people" do what they can to break the cycle of rearmament.

Cecil Garland of Wendover, Utah, first embroiled himself in the MX debate when the Carter administration proposed put-

## U.S. Senate Kills Filibuster, Votes Emergency Government Funding

By Helen Dewar  
Washington Post Service

WASHINGTON — The Senate defied the threat of a presidential veto Sunday and, after breaking a spectacular procedural logjam, approved emergency government funding that includes jobs money opposed by President Ronald Reagan.

In the process, Republican leaders bargained ahead with plans to ram through a jobs-creating increase in the federal gasoline tax — from 4 to 9 cents a gallon — that conservative Republican senators had forced them to shelve earlier in the week.

The breakthrough on both measures came at a dramatic moment in the early hours Sunday when Senator John P. East, a North Carolina Republican who had been holding the government funding bill hostage to prevent passage of the gas tax increase, made a tactical error that enabled weary, frustrated Republican leaders to regain control of the Senate machinery.

At that point, the way was cleared for final Senate action on both the government funding bill and a motion to end the weeklong filibuster against the administration-backed gas tax increase.

With time drawing short for passage of the spending bill in time to avert a shutdown of most of the government on Monday, the Senate skipped over normal procedures and sent the bill to conference before it was formally approved. The conference was meeting even as the Senate finally approved the measure, 63-31, Sunday afternoon.

The Senate was scheduled to take up the gasoline tax increase bill later Sunday.

Centerpiece of the special session of Congress, the gas tax increase has been filibustered by a handful of conservative Republicans who have frustrated the Republican-controlled Senate for more than a week, preventing final action on the bill.

Emerging from a Republican meeting on strategy for breaking the filibuster, which has embarrassed and frustrated the Republican leadership, the Senate majority leader, Howard H. Baker Jr., said the bill still faces problems.

In a radio interview Saturday, Mr. Reagan had called again for action on the measure, saying it was "ridiculous for a minority to stand in the way of this bill," which he called an emergency matter that would pay for repairs to U.S. highways. But he stopped short of demanding that Congress remain in town through the holidays to complete action on it, as some Republican congressional leaders have been asking him to do.

Mr. Reagan said the bill represented an emergency because of the dangerous condition of highways and bridges and the costs that highway and bridge hazards pose to business and the economy as a whole.

Although he has declined to call it a jobs measure, as many of its congressional backers have done, Mr. Reagan noted that "as a side line benefit," the highway bill would create as many jobs "as the Democrats claim their \$5.4-billion pork barrel would create."

Leadership aides said President Reagan talked with Mr. Baker by

## House Defeats a Bill On U.S. Immigration

By Kathy Sawyer  
Washington Post Service

WASHINGTON — The House of Representatives has killed a sweeping revision of immigration laws that would have imposed penalties on employers who hired illegal aliens.

While the debate on all sides seemed to support the measure's ultimate goal of enforcing the nation's immigration laws and protecting U.S. jobs, Hispanic and other minority groups feared that punishing employers who hired illegal aliens would make them leery of hiring any Hispanics.

"We will not lie down," said Representative Robert Garcia, a New York Democrat, who opposed the bill.

The House Speaker, Thomas P. O'Neill Jr., Democrat from Massachusetts, seemed unusually ill-tempered, noting pointedly that the immigration bill was being considered only "as a courtesy" to the administration and all those who have labored for years for its passage.

As the session concluded, the members gave Representative Romano L. Mazzoli, a Democrat from Kentucky, who shepherded the measure to the House floor, a standing ovation for his efforts.

Backers of the measure complained that the House had spent most of Friday on less important matters while debate on immigration reform was relegated to almost midnight Thursday and again to a late hour Friday.

The immigration bill would have granted permanent legal status to illegal aliens who were in the country before 1977 and temporary residence to those who came later, but before Jan. 1, 1980. The measure would also have provided civil and criminal penalties for employers who knowingly hired illegal aliens. It would have set up a special program for employing immigrant "guest workers" in some agricultural jobs.

The number of illegal aliens in the United States is estimated at between 3.5 million and 10 million and there is intense concern about the continuing flow into this country. The problem has been exacerbated by Mexico's economic problems.

The bill had the support of the administration, the National Association of Manufacturers and the U.S. Catholic Conference. The

AFL-CIO had agreed to support the bill if proposed amendments to strengthen protections for U.S. workers were added on the House floor.

The opposition included the American Civil Liberties Union, the American Farm Bureau, the League of United Latin American Citizens and the U.S. Chamber of Commerce.

Supporters have maintained that amnesty for illegal aliens already in the country is the only way to enforce U.S. immigration laws and to avoid major disruption of business and employment arrangements. They considered the four-year penalty for employers who knowingly hired illegal aliens as the most important part of the bill because it would dry up the market for illegal workers.

Opponents argued that the measure would have placed onerous, "big-brotherish" administrative burdens on employers. And, to counterbalance the increased incentives for employers not to hire minorities in order to avoid the chance of being penalized, minority groups wanted a provision for legal redress for job applicants who could prove discrimination.

Mr. Garcia and other opponents urged their colleagues Saturday to put off action on the bill so that it could be considered at a less hectic time next year.

## China Reported Restoring Church To Protestants

BEIJING — The largest Protestant church in Beijing, closed during the Cultural Revolution, will reopen Christmas Eve with a performance of Handel's "Messiah," the English-language newspaper China Daily reported.

Chongwen Gate Church, opened as Asbury Church in 1900 by Methodists, is in the quarter of the city where most embassies were situated until the 1960s.

Religion was banned during the Cultural Revolution, but is now tolerated.

The newspaper said Chongwen Gate Church used until recently as a secondary school, had twice the capacity of the city's two other Protestant churches combined.

## White House Affirms Faith in Security Aide

By Francis X. Clines  
New York Times Service

WASHINGTON — The White House has affirmed its confidence in Thomas C. Reed, one of President Ronald Reagan's top national security advisers, whose personal financial dealings have come under public criticism.

Larry M. Speakes, deputy White House press secretary, said Friday that the staff of the president's National Security Council had reviewed the criticism and decided to "reaffirm full confidence in Mr. Reed." He added that the president was "thoroughly familiar with the controversy over the past financial dealings of Mr. Reed, who was made a special assistant to the president June 17.

Mr. Reed, a former Air Force secretary, was charged last year with violating U.S. securities laws by using insider information. He denied any wrongdoing but consented to returning more than \$427,000 in profits he made in 48 hours by dealing in stock options with an investment of \$3,000. He was hired as an administration consultant last January by his friend William P. Clark, the president's national security adviser.

Controversy over his hiring was renewed last week with the publication by Common Cause, a public affairs lobbying group, of documents purporting to show that he had received a \$50,000 bribe from a company in dealing in the stock options.

Beyond this, questions have arisen about his employment status. White House officials said Thursday that Mr. Reed was working part-time under conditions that allowed him to avoid full public disclosure of his personal financial dealings.

"Reed has been extremely frank and open in reporting his business activities," Mr. Speakes said. "All relevant factors concerning these activities were taken into consideration and thoroughly examined by

## N.Y. Cutting 14,400 Jobs In Fiscal Plan

By Suzanne Daley  
New York Times Service

NEW YORK — Mayor Edward I. Koch has submitted a new financial plan outlining the most drastic reductions in New York City's work force since the fiscal crisis of 1975.

The plan calls for about 6,600 layoffs and the loss of at least 14,400 jobs, along with tax increases of \$100 million. The picture Mr. Koch presented Saturday was even grimmer than the one painted Friday by city officials after their initial briefings by the mayor.

Beyond the 3,300 layoffs in various departments that the officials said would be necessary, the mayor's plan calls for 3,300 layoffs of Board of Education employees.

Besides the loss of 6,600 more workers through attrition and the elimination of 1,200 proposed new jobs would be needed to balance the budget.

"Make no mistake about it," Mr. Koch said Saturday, "this is a tough program."

He added: "It will reduce services. There will be fewer police than we had hoped to have. Potholes will be filled less often. Streets will be dirtier. Park maintenance will decline even further. Libraries will be open even fewer hours. The city's work force will shrink dramatically."

Comer S. Coppie, executive director of the state Financial Control Board, said Saturday that he believed the board would approve the plan. But State Comptroller Edward V. Regan said that even the revised plan might be counting on more tax revenue than the city would be able to collect.

The sharp cuts in the city's work force of 196,000 are necessary, Mr. Koch said, to help close a \$300-million gap he said would be left by a \$300-million shortfall in state aid. He said the cuts could be reversed if the State Legislature provided more aid, but he said that for now it was no longer prudent to depend on it.

Mr. Koch's decision to lower his expectations of state aid dramatized what fiscal experts have been saying is one of the most troublesome aspects of the city budget plight — for the first time, it coincides with equally severe state budget problems.

Governor-elect Mario M. Cuomo will take office next month facing a cumulative state budget deficit of nearly \$2 billion for this fiscal year and next. State budget officials have been saying the need to close this gap will make it harder for them to increase aid to the city and to other localities.

The proposed cuts would affect the city budget for the final six months of this fiscal year, which ends June 30, and for all of the next fiscal year.

## Hussein in U.S. for Talks

WASHINGTON — King Hussein of Jordan arrived here Saturday for talks with President Ronald Reagan and Secretary of State George P. Shultz on Middle East peace negotiations.

## Heart Patient Sits Up for Awhile During His Best Day in 2 Months

By Lawrence K. Altman  
New York Times Service

SALT LAKE CITY — For 38 minutes on Saturday morning, Dr. Barney B. Clark sat up in a chair in his intensive-care unit and looked out at the cloudless sky above the snowcapped Wasatch Mountains.

It was the best day in two months for Dr. Clark, who is struggling to be the first human to live with a permanent artificial heart, his doctors said.

By all measures, for the 61-year-old retired dentist, whose condition was upgraded Saturday from critical to serious, it was the most optimistic report that doctors have given on his condition since Dec. 2, the day the artificial heart replaced his own dying organ.

"He has now demonstrated more physical strength and more physical capacity and activity than at any time" since the several weeks before the polyurethane heart was implanted Dec. 2, Dr. Chas. N. Peterson said at a news conference.

Dr. Clark, who is from a Seattle suburb, had no pain when he sat up with his wife at his side, and he stayed up until he tired.

Dr. Clark put weight on his feet Sunday and was sipping water and watching television as his recovery continued. The Associated Press reported.

Dr. Peterson, University of Utah vice president for health sciences, said Dr. Clark was also brighter and more alert. "He's getting over the post-operative hump," Dr. Peterson said Sunday. He said Dr. Clark sat up, dangled his feet over the edge of his bed and put some weight on his feet for 30 to 45 minutes by pushing his feet against the floor.

While he was up Saturday, Dr. Clark's cardiovascular system responded well to the increased activity. This pleased his doctors, who had been concerned that he might become light-headed or faint after the stresses of three operations and being confined to bed for at least three weeks.

Doctors monitored Dr. Clark's physiological responses by measuring the amounts of oxygen and carbon dioxide in his blood. The results can change significantly when chronically ill people shift position, as when moving from a bed to a chair.

Lifting Dr. Clark from his bed

into a chair is a cumbersome procedure because several tubes in his body are connected not only to the power supply of the mechanical heart but also to the standard array of equipment used in treating patients in intensive care.

When Dr. Clark is moved to a chair, the doctors plan to let him sit as long as he is comfortable to try to improve his physical and emotional status.

Of equal significance to Dr. Clark's increased physical activity, Dr. Peterson said, his periods of nonresponsiveness have begun to shorten and the periods of alertness have increased.

After the operation to implant the mechanical heart, he was very alert and joked with his family and hospital staff. But then his mental

## LD BRIEF

Reagan Missed

Brought to Trial

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Hannover 'Punk' Protest

U.S. Navy Ship Sunk

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مكتبة الأصيل

## West Germans Worried By U.S. Plan to Shift Headquarters in War

By Harry Trimborn

Los Angeles Times Service

BONN — A plan by the United States to move its European military headquarters from West Germany to Britain in the event of war has caused a controversy in West Germany over the United States' determination and ability to defend continental Europe from Soviet attack.

The controversy has been fueled by the initial confusion surrounding the recent disclosure of the plan by a British newspaper, The Guardian, in a report from Washington.

West German, British and U.S. officials at first denied that such a plan existed but later conceded that it was part of contingency planning.

The contingency plan calls for the establishment in Britain of a "fallback" headquarters for the U.S. European Command, which is in Stuttgart, 125 miles (200 kilometers) from the East German border. The headquarters, staffed by about 600 U.S. service personnel, is the administrative and supply center for the 350,000 U.S. personnel in Western Europe.

The fallback headquarters, according to reports from Britain, would be established near a U.S. air base outside High Wycombe, about 35 miles northwest of London, and placed in operation in the event that the Stuttgart headquarters was overrun or otherwise made untenable by a Soviet attack.

Peter Baker, British minister of state for the armed forces, said in a recent radio interview that the fallback headquarters would not be used to conduct war operations. In the event of an attack, he said, those duties would fall to the North Atlantic Treaty Organization headquarters near Mons, Belgium.

The facility in Britain, he said, would take over the administrative supply functions of the Stuttgart headquarters to channel personnel and equipment from the United States to Europe in time of war.

However, reports of the plans for the fallback facility were seen

by some West Germans as an indication that the Reagan administration was considering abandoning, or was at least questioning, the strategy of forward defense in repelling any Soviet invasion of West Germany.

This strategy calls for all-out resistance to Soviet forces from the moment they cross the West German border, because West Germany lacks the geographic width needed to allow Western forces to fall back and regroup for a counterattack.

The report also revived fears among West German anti-war activists that Washington was considering the possibility that a nuclear war could be confined to Central Europe. This interpretation provides ammunition for West Germany's powerful peace movement.

A banner displayed at a recent anti-war demonstration outside a U.S. military base near Stuttgart proclaimed, "American Headquarters Moves to Britain and Leaves Germany in Ashes."

West German officials, after initially saying they knew of no plan to establish the fallback headquarters, later admitted they had known about it since last spring.

The Guardian reported that the facility was mentioned in a classified report by Defense Secretary Caspar W. Weinberger as part of U.S. strategic planning for the next five years. Mr. Weinberger directed that the facility be established in Britain by 1986 as "part of a survival pool to European command and control facility," the Guardian report said.

West German officials insisted that the proposal indicated no change in the strategy of defending Western Europe.

A Defense Ministry spokesman said that all speculation "about a change in NATO strategy, or a weakening in the United States' defense in Europe, has proved groundless." He and other officials stressed that preparing alternate military facilities for wartime is part of normal contingency planning undertaken by all countries.



PARISIAN'S PLIGHT — A small car, left by the side of the Seine, appeared to be floating after the river rose in Paris. Two persons in France died as a result of flooding caused by heavy rains, and barge traffic has been restricted or halted on five rivers in West Germany.

## New U.S. Law May Stall Emigration Of Amerasians From 5 Countries

By Bob Secor

Los Angeles Times Service

BANGKOK — A 10-week interruption in the emigration of Amerasian children from Vietnam ended last week with the departure of 22 children, but the program might soon be stalled again despite a new U.S. policy.

U.S. officials and aid workers agreed that a new U.S. law aimed at facilitating the entry of Amerasians into the United States would do little to allow entry for significant numbers of the children. The children were fathered by Americans during the war in Vietnam.

The new rules also apply to Amerasians in Thailand, Laos, Cambodia and South Korea.

No one disputes that the legislation, enacted in October to take effect Jan. 1, removed several legal barriers that had barred all but a handful of Amerasians from entering the United States. The technical obstacles, however, have been replaced by emotional ones.

The law provides only for the children and not for those who have reared or cared for them. Asian mothers or guardians must sign an irrevocable waiver of their custody rights before the children can be admitted into the United States.

Critics say that it is unrealistic to expect children, some of whom are no more than 7 years old, to willingly part with a parent or loved one and to move to a strange land.

Jack E. Fortner, director of the Bangkok office of the U.S. Immigration and Naturalization Service, said: "The law was enacted with a certain group in mind and that is what it took care of. But it did not deal with any accompanying relatives."

Even if children were eager to go to the United States under the new law, officials in Hanoi have stressed that Amerasians would not be allowed to leave alone.

"We've been given to understand from the Vietnamese that they don't intend to cooperate if the mothers are split from their children," said Donald Colin, head of a U.S. refugee program that oversees the departure of Amerasians from Vietnam.

Nguyen Phi Thuy, the Vietnamese official in charge of Amerasian affairs, said Thursday that releasing the children that the

question of accompanying relatives had been raised repeatedly with the U.S. authorities but that Hanoi had yet to receive a satisfactory response. "The American government has no clear policy on relatives," he said.

Some refugee officials acknowledge that Vietnam may have a legitimate concern in trying to keep families together, but they caution

that Hanoi's motives may not be entirely pure. John J. Cullen, an official of the U.S. Catholic Conference who is attached to Mr. Colin's refugee program, said Vietnamese officials considered the mothers to "be one step above the gutter."

"They want to get rid of the mothers, too," he added.

The Vietnamese government is not the only Asian government complaining about the "children-only" rule.

The Pennsylvania-based Pearl S. Buck Foundation, the only private welfare agency that deals exclusively with Amerasian problems, estimates that there may be as many as 68,000 of the children in the five countries affected by the new law, with perhaps 50,000 in Vietnam alone. Vietnamese officials put their Amerasian population at about 16,000.

Previous U.S. immigration rules gave a low priority to Amerasians, and only those who could prove they were entitled to U.S. citizenship were admitted. Only a little more than 100 have been able to do so, and after last week's flight fewer than 70 children granted citizenship status remained in Vietnam.

Under the liberalized regulation, children will be required to provide only minimum proof that they were fathered by an American to gain admission to the United States.

## Clara Malraux Dies; Was Author and Critic

New York Times Service

PARIS — Clara Malraux, 85, author, art critic and a leading figure in the anti-Nazi resistance in France, died Wednesday in Paris. She was the first wife of André Malraux, author and minister of culture under de Gaulle.

She organized a network of shelters for German Jews fleeing the Nazis before and after the outbreak of World War II. She kept her husband's name, despite their separation in 1939, to protect herself from the Jewish roundup during the German occupation of France. The two were divorced in 1946. Mr. Malraux died in 1976.

While her own literary career was modest, that of her husband, Clara Malraux gained renown for six volumes of memoirs chronicling the political and cultural qualities of modern France. As an essayist, she was respected for her irony and perception about European intellectual life.

At 19, Clara Goldschmidt, a member of a wealthy family of German Jewish origin, fell in love with Mr. Malraux. They became lovers and traveled to Italy, Austria and Germany, unconcerned about their scandalized families. They later married against parental wishes.

While they were traveling in Cambodia together, Mr. Malraux attempted to make a financial killing by abducting with Khmer statues, hoping to sell them to American collectors. He was arrested and his wife returned to France and organized a campaign to free him. She exhausted her own funds and got lawyers and celebrities to work for his release.

When he was freed as a result of her efforts, he was no longer a minor surrealist but a celebrity with a book contract in his pocket. His book "The Royal Way" published in 1930, told of a search for temples lost in the depths of Asia. Mr. Malraux credited the Annamese people for his freedom and denied Mrs. Malraux the thanks she felt were her due.

Homer Ferguson

## U.S. Senate Kills Plan For Broadcasts to Cuba

The Associated Press

WASHINGTON — President Ronald Reagan's plan to broadcast news about Cuba to its citizens on the proposed Radio Martí has been killed by Congress.

The Senate refused on a voice vote Friday to provide \$7.5 million for the radio station in a stopgap spending resolution. The House had voted earlier against including funds for the station in its version of the resolution.

## Turkish Leader in Jakarta

The Associated Press

JAKARTA, Indonesia — President Suharto and President Kenan Evren of Turkey, who arrived here Friday for three days of talks, met Saturday and agreed to step up trade between their nations.



Clara Malraux

Orville L. Hubbard, 80, former Mayor of Dearborn, Michigan, during 15 terms from 1942 to 1978 that were characterized by municipal efficiency and segregationist policies, Thursday at Henry Ford Hospital in Detroit.

Joe Lee (Big Joe) Williams, 83, blues singer and guitarist whose compositions included "Baby, Please Don't Go," Friday in Macon, Mississippi.

Sir George Pope, 80, general manager of The Times of London from 1965 to 1967, Friday in London.

Other deaths:

GROSSE POINTE, Michigan (AP) — Homer Ferguson, 94, a former two-term Michigan senator who argued that it was inexcusable that the U.S. military was surprised by the Japanese attack on Pearl Harbor, died Friday at his suburban Detroit home. The cause of death was not disclosed.

He was a dissenter in a 1943 Senate committee report that absolved President Franklin D. Roosevelt of blame for the Japanese attack that led to U.S. involvement in World War II. Mr. Ferguson, who went to Washington saying he would be "a why-man, not a yes-man," sponsored legislation that added the words "under God" to the Pledge of Allegiance to the American flag.

■ Other deaths:

Amsterdam de Waal Malefijt, 68, a leading anthropologist and a member of the Dutch resistance in World War II. Wednesday of cancer at Calvary Hospital in the Bronx, New York.

## Argentine Army Says It Has Ended Covert Latin American Operations

By Jackson Diehl

Washington Post Service

BUENOS AIRES — Following new revelations on Argentina's role in covert operations in Central America, military leaders have assured government officials that Argentine Army personnel have been withdrawn from the region, according to government sources.

Government and military officials concede that a number of Argentine paramilitaries may still be working with rightist groups in Honduras against the Nicaraguan government. But they say the men are mercenaries no longer backed by the Argentine Army.

"We have been told the people pulled out," said a civilian government official, who asked not to be identified. "Now if there are mercenaries who went there and decided they wanted to stay, we cannot control that."

In a recently released videotape recording, Hector Frances, a self-described defector from the Argentine operations, described in detail the little-publicized activity and its command organization.

After the release of the tape, a Foreign Ministry official met with President Reynaldo Bignone to demand information, according to several government sources.

Mr. Bignone told the diplomat, Carlos Muñiz, that no Argentine Army personnel were now working covertly in Central America, according to a reliable source. The president also made the same assurance recently to a visiting Nicaraguan economic official, another diplomatic source said.

The apparent Argentine move to scale down involvement in operations in Central America follows a dramatic shift of its official foreign policy as a result of its war with Britain over the Falkland Islands in the spring.

From a sharp perception of Central America's conflicts in East-West terms and support for U.S. policies, Argentina has moved to strengthen its ties with Cuba, Nicaragua and the nonaligned movement, which backed its claim to the Falklands. Argentina calls the islands the Malvinas.

Argentina recently signed a trade agreement with a delegation of Nicaragua's Sandinista government, offered financing for imports of Argentine products, and it backed Nicaragua's bid to join the UN Security Council.

Officials in the Foreign Ministry, which is dominated by civilians, have privately pressured military leaders to end any involvement in covert activities against Nicaragua or the flow of arms to leftist insurgents in El Salvador.

The timing of the Argentine withdrawal remains unclear to officials and diplomats. Some civilian government officials said that all Argentine officials left the Falklands conflict, which lasted from April 2 to June 14.

But others said it appeared that the withdrawal may have taken place in phases and that some operatives may have only recently been ordered out. Several officers are still in Honduras on an official basis as advisers or instructors.

Foreign Ministry officials now say the Nicaraguans appear eager to accept the change in Argentine policy and to overlook past operations.

"I think they are anxious to rebuild relations with Argentina," said an official who has talked with Nicaraguan diplomats. "They see themselves as under a serious threat from the United States, a tightening ring, and they would like to have the support of Latin American countries."

Argentine officials describe their country's active involvement in Central America as a misguided deviation from longtime Argentine policy. For years, the country shunned involvement in hemispheric conflicts as well as most regional initiatives by the United States.

According to government officials, the involvement by the military in Honduras began in late 1979. Military leaders were angered then by evidence that the Sandinists had associated with exiled leaders of Argentina's guerrilla movement, according to military sources.

General Leopoldo F. Galtieri, who became commander in chief in December 1979, two years before taking over as president, was a strong advocate of Argentine action in the region, according to diplomatic and military sources.

According to an official who was present, General Galtieri said at a meeting of army generals that he wanted Argentina to fill the strategic gap he said had been left by

President Jimmy Carter in fighting Central American communists.

Much of the Argentine operation in Central America remains shrouded in secrecy. But government officials and diplomats say the Argentine force, centered in Honduras, apparently included personnel from the army's intelligence battalion, other training and command officers and paramilitary irregulars who had been used against leftist terrorists and other military opponents in Argentina.

Military leaders here have denied that there has been any Argentine activity in Central America. The tape of Mr. Frances's allegations was shown Nov. 30 in Mexico City by the leftist Democratic Journalists' Union of Mexico. His allegations caused anger and embarrassment within the government, officials said, but there was little public reaction.

Government officials privately concede that Mr. Frances had attended an Argentine military school and appeared to have been associated with the activity in Central America. But they insisted he was a mercenary.

## U.S. Legal Ambiguities Permit Guatemala Aid

By Richard J. Meislin

New York Times Service

GUATEMALA CITY — Ambiguities in congressional restrictions on aid to Guatemala have made it possible for the United States to continue to provide some military aid, instruction and informal advice to Guatemala's armed forces, according to Western officials here.

U.S. military aid was cut off in 1977, when the Guatemalan government refused assistance after the Carter administration issued a report highly critical of the country's performance on human rights. Congress then followed by imposing restrictions on military aid, citing the human rights situation.

Now it appears increasingly likely that the aid will be restored, at the request of President Ronald Reagan. At the same time, there have been indications that violence in the Guatemalan countryside has eased after strong government actions to control guerrilla insurgency.

"I would say the mood is changing," Representative Michael D. Barnes, chairman of the House Subcommittee on Inter-American Affairs, said Friday when asked about the likelihood that Congress would approve a formal resumption of military aid. "I think there will be some opposition to aid in Congress, but I think it will be muted."

Although Congress has prohibited formal military assistance to Guatemala, the country has continued to benefit from U.S. military resources.

According to a Western intelligence official, Guatemala has received several consignments of parts and equipment that had been ordered before the congressional ban was imposed.

These shipments came to light last month when leftist guerrillas from a group called the Organization of People in Arms made available documents that they said they had found in the wreckage of a Guatemalan Air Force helicopter. One document referred to a shipment of "200 pounds that the Guatemalan Air Force must pick up at the Homestead base in Florida," a reference to a U.S. Air Force base.

Most of the undelivered shipments consisted of "modifications" to military equipment that the Guatemalans already had, the intelligence official said.

A spokesman for the U.S. Embassy in Guatemala City, Martin Ronan, said it was not the embassy's policy to answer questions for publication. However, U.S. officials are known to believe that the shipments that were, as they are termed, "in the pipeline," were not covered by the congressional restrictions.

Two U.S. officers attached to the embassy's military group have been giving instruction to Guatemalan forces in their "areas of expertise," an intelligence official said.

Captain Jesse Garcia, a member of the U.S. Special Forces, teaches a variety of skills, including counterinsurgency tactics, at the Escuela Politécnica, a military school in Guatemala City. He is working under an intergovernmental program that allows the sharing of military knowledge.

Lieutenant Colonel Benjamin Castro of the U.S. Air Force has been instructing Guatemalan pilots but is said to have limited his lessons to international flight procedures.

It is military equipment, however, that the Guatemalan government sees as critical in its battle against insurgents. Earlier this month, Guatemala's president, General José Efraín Ríos Montt, sought to convince Mr. Reagan that the human rights situation had improved to the point that Guatemala was deserving of military aid.

The Guatemalan Air Force is in great need of spare parts for its helicopters and planes. Other than that, General Ríos Montt said Friday, "we do not want sophisticated or expensive arms — just a few discarded rifles for our civil patrols."

Amnesty International, the London-based human rights group, reported earlier this year that more than 2,600 people had died since General Ríos Montt took power in March, most of them at the hands of government security forces. The government has strenuously denied the charge.

## Chinese Fishermen Fire At Hong Kong Patrol

The Associated Press

HONG KONG — A Chinese fishing vessel fired at a Hong Kong naval patrol in what was likely "a case of misunderstanding," according to police.

Fishermen opened fire when navy personnel boarded the ship before dawn Saturday to question the captain, a spokesman said. He said officials found seven rifles and one machine gun on board.

## WORLDWIDE ENTERTAINMENT

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22 h 30 Revue et 0 h 30 champagne	22 h 00 Revue et 0 h 00 champagne
230 F	230 F
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NORMANDIE 116 bis av. des Champs-Élysées 563 11 61 et agences	MONTMARTRE Place Blanche 606 00 19 et agences

## Ceausescu Reaffirms Romanian Diet Plan

Compiled by Our Staff From Dispatches

BUCHAREST — President Nicolae Ceausescu has reaffirmed a Communist Party diet program for Romanians that stresses specific amounts of certain foods each day according to age, sex and the physical effort required by a person's job.

Speaking at the closing day of the party conference on Saturday, Mr. Ceausescu, who is also the party's first secretary, renewed the commitment to the plan announced in July. It sets an intake of 2,800-3,000 calories per person daily by 1985 and effectively stresses the need for a diet of meat, milk and vegetables.

Although meat is now rationed everywhere except Bucharest to one kilogram (2.2 pounds) per person per month, Mr. Ceausescu, addressing 3,396 delegates, said that the 1982 per capita consumption of beef and fish was "68 to 70 kilograms" and that by 1985 Romanians would consume 75 to 85 kilograms of fish and meat per person per year. He gave no indication how the figures had been reached.

"In a comment that suggested there would be some relaxation of the centralized planning system for agriculture, Mr. Ceausescu said that no limits would be imposed on what a farmer wished to produce or the quantities he produced in it.

"The more a citizen produces, the bigger will be his income," he said. "While this gives everyone the chance to 'get rich,' he said, 'there should be no fear that certain peasants would get too rich.'"

Mr. Ceausescu also said that everyone who has land, including intellectuals, must work it, "no matter what its size." He added: "Each farm should have a cow, pigs and poultry."

Resolutions adopted by the delegates included one promoting nine persons to full membership in the party's Central Committee, including Mr. Ceausescu's 29-year-old son Nicu, who is first secretary of the Young Communist League.

Nicu Ceausescu has been an al-

## EC Moves Toward Ban Of Canadian Sealskins

Reuters

BRUSSELS — European Community governments have bowed to strong public pressure and agreed to take action that could lead to a comprehensive ban on the imports of skins of seal pups from Canada.

EC environment ministers decided after 11 hours of talks Saturday to take "all necessary and possible measures within the limits of their national competence" to stop the imports.

Diplomats said the move was the first stage in a process that could lead to a legally enforced embargo throughout the EC on imports of hooded and harp seal skins.

The annual cull of 180,000 seal pups off the coast of Newfoundland for their pelts, oil and meat has led to widespread protests, and environmentalists and others have lobbied for a ban on the imports.

The decision was contained in a resolution that instructed the EC Executive Commission to investigate environmental aspects of the seal hunt with Canadian and Norwegian authorities and to report back by March "as a matter of urgency."

Ministers would then discuss more permanent community-wide arrangements depending on the outcome of the studies, the resolution said.

In the meantime, individual member states would introduce their own legislation to block imports. Italy and the Netherlands have imposed bans and Britain requires all seal products to be labeled as a warning to consumers.

A Norwegian diplomat said the ministers had set a dangerous precedent by banning imports on moral grounds. Several hundred Norwegians take part in the hunt and depend on it for their livelihoods, he said. Norway also trades heavily with the EC in seal skins.

Canadian diplomats refused to comment on the decision. Canada's trade in seal skins, worth more than \$3 million a year, is mainly with the EC. Canada denies objections by anti-sealing campaigners that the killing is cruel and puts entire species in danger of extinction.

## S. African Linked To U.K. Burglary

United Press International

LONDON — Joseph Klue, a South African Embassy official recently expelled from Britain, hired a burglar to break into the offices of three anti-South African groups in London this year, a court has been told.

The Foreign Office never said precisely why Mr. Klue was ordered out. But on Friday, the burglar, Edward Aspinall, 23, and a South African security agent, Peter Casleton, 38, were sentenced for burglarizing the London offices of the South-West Africa People's Organization, the African National Congress and the Pan African Congress of Azania.

Files, maps, photographs and addresses were stolen and sent to South Africa, the prosecution charged in the one-day trial at the Old Bailey criminal court. Mr. Aspinall and Mr. Casleton pleaded guilty to conspiracy to burglarize. Mr. Aspinall received a sentence of 18 months and Mr. Casleton a sentence of four years.

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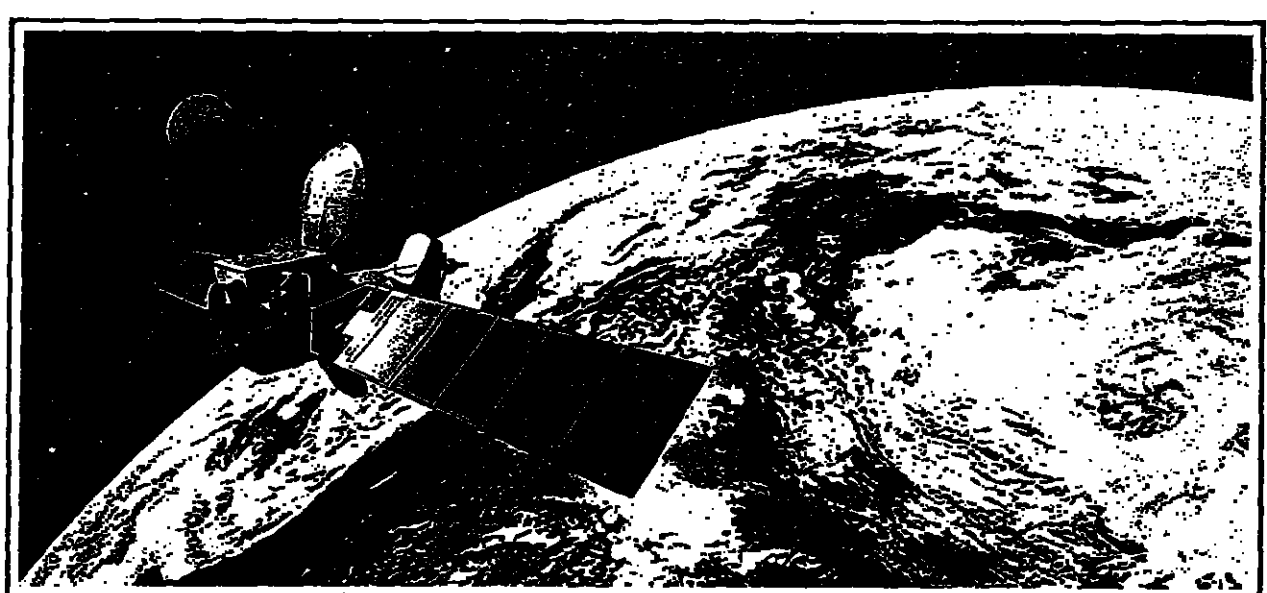
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(Continued on Page 8)

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EUROBONDS  
By TERRY CROSS

Economists Say Bond Markets Might Be More Stable in 1983

PARIS — Interest rates and oil prices, interest rates and oil prices. If it were possible to quantify the amount of space given to these two subjects in newspapers and financial journals over the past decade, the result probably would be exasperatingly lopsided.

To the average reader, it must seem quite enough already, thank you. But these two subjects have for the past decade set the climate in which financial decisions have been made.

Which means that economists for major financial institutions, interest rate presumpers in hand, will keep a very close eye on the OPEC meeting that began Saturday in Vienna.

The OPEC meeting brings to a close what has been a very volatile year — for the Eurobond market, for all markets. As their trading desks get out of unwanted positions and square the books for the year-end, the economists are looking forward to the first part of 1983. Leading interest rate scenarios and OPEC scenarios and a number of other factors into their data banks, they are determining what they believe to be the best way for market participants to negotiate the unknown.

They are in agreement on two things: The new year might offer steady but more stability on bond markets, and there are still a great many unknowns clouding the view.

Interest rates are expected to continue to decline through the first and possibly the second quarter of next year. But "we'll see a temporary rise in rates" as the economy picks up, according to James L. Lohian, the Citibank vice president who heads the bank's financial research group, "perhaps in the second quarter."

Roy Moor, chief economist for First National Bank of Chicago, said last week that the decline in rates "will be significant." He predicted a prime rate averaging 9.6 percent in the second quarter, adding that rates would probably rise in the second half "fueled by the burgeoning Treasury deficit and renewed short-term credit demand" as businesses increase their capital outlays. The prime is currently 11 1/2 percent at major banks.

The decline in interest rates is being led by the Federal Reserve, which most economists agree is moving in part out of a desire to put some momentum into the economy.

But Fed policy, and its recent stance of passively watching large increases in the money supply, has evoked some worry.

"I have a concern about what has been happening to monetary growth," said Mr. Lohian. "There has been some distortion due to financial innovation. Given more distortion with the new money market accounts, the Fed is going to be sort of flying by instruments, and if they overdo it on bank reserve growth, they'll have to tighten up."

"The new Super NOW accounts will make things difficult for the Fed," said Paul W. Boltz, an economist with Continental Illinois Bank & Trust. "This is a monumental technical problem. They may not be able to set [money supply] targets next year."

Not being able to set targets, or setting them by "instruments," could mean a scuffling of inflation, economists said, although Mr. Boltz added that the low responsiveness rate and high money growth would absorb quite a lot of money growth before another inflationary spiral was ignited.

While the exact equation is open to debate, it is about here that oil prices enter. The effect of lower oil prices would be twofold: It would cut inflation, allowing lower interest rates in spite of slightly faster money growth, and it would decrease the indirect tax of higher fuel costs for both industry and the consumer.

For industry, this would mean higher profits and more money for capital investment, and for consumers it would mean more money for spending on houses, cars, washing machines and the like. Lower oil prices, therefore, could help fuel the recovery for which everyone has been waiting.

"We think the trickle-down effect from the lower oil price," wrote Perry Aldred and Brian Scott Quinn of Ross & Partners (Securities) in London, "could revitalize Western industry over the space of the next two years without it having any inflationary implications."

John Atkin, Citibank vice president and the bank's economist in London, agreed that reduced oil prices "would almost certainly contribute to an expansion in the world economy." He added that lower oil prices would be damaging to countries such as Mexico, which earn a great deal of their foreign exchange from oil, and that this in turn could add to the strains on international banking.

But he said, "if you weigh the scales, I think that [lower oil prices] would still tip very strongly toward the positive."

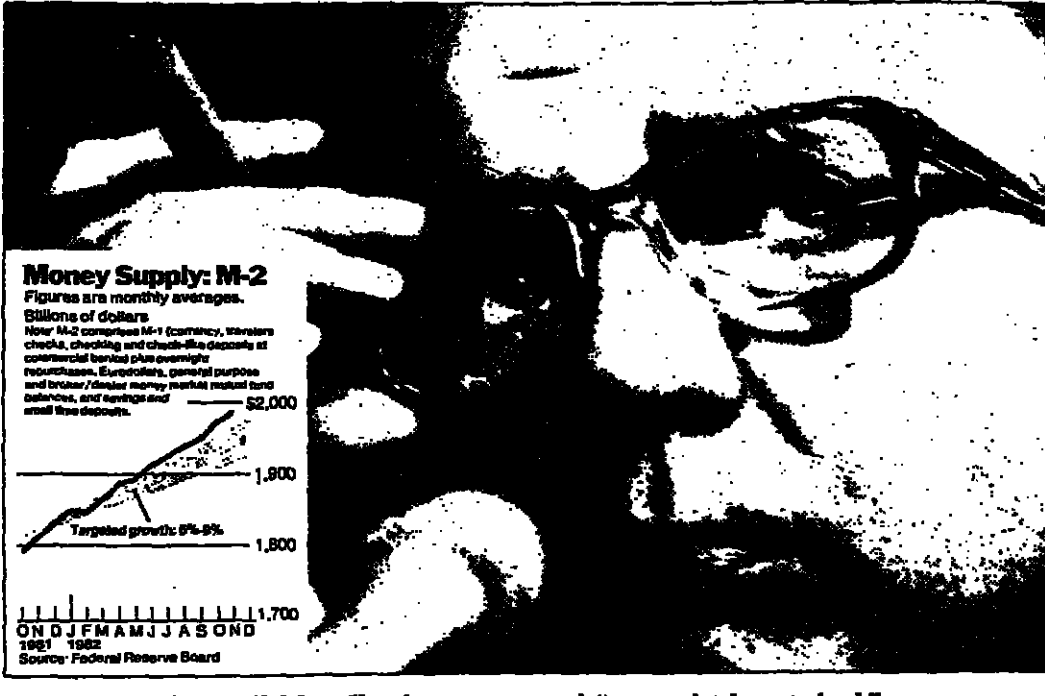
The question, then, remains: Will oil prices come down? Judging from the mixed signals coming out of Vienna, the answer will not be known until the final communiqué is read.

Susan Bluff, an economist for Bankers Trust in London, said its view was that OPEC would not cut the dollar price of oil because of the current weakening of the dollar. "Any cut in the dollar oil price," she said, "would be undermined by the weakening of the dollar. The important thing for the oil producers right now is what is happening to the dollar."

She said, however, that it was possible that a realignment of quality and geographical premiums on oil would come out of the Vienna meeting.

Even with no cut in the dollar price of oil, she added, countries whose currencies appreciate against the dollar, West Germany and Japan for example, would benefit.

(Continued on Page 9, Col. 2)



Paul A. Volcker: Keeping money growth "appropriately restrained."

What Is the Fed Up to Now?

NEW YORK — Last summer, confronted with an unprecedented combination of economic, financial and political pressures, the Federal Reserve System started to back away from its commitment to a tight monetary policy. Almost overnight, the Fed began pouring money into the banks, sending interest rates plummeting and the financial markets into euphoria.

Most economists now believe that the central bank has made a fundamental and welcome change in policy and technique. For many politicians, too, the apparent switch comes as a relief. With the unemployment rate heading for 11 percent, they applaud the idea that the Fed has switched from a policy aimed at reducing inflation to one aimed at reviving growth.

But the conclusion that the Fed has made a major, long-lasting turnaround in policy is premature. Monetary measurements are notoriously unstable over short time spans, and thus the recent spurt in the growth of money may exaggerate the Fed's intentions. Moreover, analysts generally agree that the central bank's professed determination to stabilize the money supply and the price level is genuine.

Both the Reagan administration and the Federal Reserve insist that the central bank's basic policy has not changed. Lawrence A. Kudlow, assistant director of the Office of Management and Budget, said: "Money has been looser in the last four or five months." But he added that he is not sure whether this change is "good, bad or insignificant."

Meanwhile, investors, bruised by repeated encounters with inflation, seem to be keeping a wary eye on what the Fed is actually doing, as opposed to what officials say it is doing. The recent rapid growth of bank reserves, which has fueled an explosion in the money supply this fall, has raised fears that policy really has changed. If so, the strategy could backfire, leading to a resurgence of inflationary fears, rising

Brazil Appears to Scrap Plans for Rapid Growth

By Warren Hoge  
New York Times Service

RIO DE JANEIRO — With its agreement to terms for an International Monetary Fund loan, Brazil appears to have applied the brakes to its rush toward great power status.

"It was difficult for us to say stop, and we needed someone else to come in and tell us to do it," Ruy Barreto, head of the National Confederation of Chambers of Commerce, said.

There is a recognition that the austerity program the country has adopted in connection with the three-year, \$4.5-billion IMF loan agreed to on Wednesday in Brazil promises more unemployment, higher prices of key consumer items and a deepening of a recession that is now in its second year.

There is also a growing and widely expressed belief that the loan agreement and the austerity program mark the end of the drive for major economic development, a policy managed by a small team of technically minded decision-makers within the government.

"It's the coup de grace for technocracy," said a director of a major holding company here. "Farwell to megalomania," was the way Exame, the country's leading business magazine, puts it in its new issue.

At a gathering of major business leaders in the home of one of them in Rio de Janeiro on Thursday, several participants said the IMF agreement represented the beginning of an economic *abertura*, or opening, to match the publicized political *abertura* that Brazil is currently going through. As in the political sphere, they said, there was a need to reduce authoritarianism and permit wider participation in setting the country's economic course.

"It's going to bring more efficiency into business operations," said a Brazilian representative of a foreign bank. "Now the guy who spent one day in his factory and four in Brasilia will have to reverse the ratio."

The reaction has been remarkably calm for a country that had mightily resisted seeking assistance from the IMF since rumors that it might do so first arose three years ago.

Unlike Argentina and Mexico, where new IMF austerity programs have followed the shocks of

a war and an abrupt end to an oil boom, respectively, Brazil has been living with a tightened economy for the last two years. The program the IMF negotiators accepted was based on one the Brazilian government had projected for 1983 and had made public in October.

The greatest impediment is how much more unemployment will come about and what social reactions there could be to it. Unemployment is roughly computed to be higher than 20 percent in the major cities, and a growth rate of 6 percent is considered necessary to produce the 1.5 million new jobs the country must create each year for its growing population. Under the IMF-approved plan for 1983, growth would be only 1 1/2 to 2 percent.

Industry, operating at only 77 percent of capacity, is condemned to at least another year of stagnation. The key restrictions in that area are an average 16-percent cut in the budgets of the giant state companies that dominate the economy and a \$3.5-billion reduction in imports, on which industrial expansion depends. Prices for fuel oil and diesel fuel will rise.

The consumer will feel the results of the pinch in prices of such things as bread, gasoline, sugar and cooking gas, items from which government subsidies are to be removed.

The first months of the new year will be particularly onerous because the government traditionally holds back price rises at the end of the previous year to produce the most felicitous annual inflation figure. The projected number for 1982 is around 98 percent, and the government is eager to keep it below three digits at all costs.

For business executives, the outlook is not so bleak. Taxes on financial transactions are expected to be removed, and interest rates, maintained at up to 190 percent to encourage people to borrow abroad, will fall substantially.

Business executives are particularly pleased by the IMF-induced cuts of 16 percent in the budgets of the state companies. These enterprises were charged with running the development projects that Brazil has erected on a large scale over the last decade, and they were responsible for the major portion of the foreign debt.

Brazilian Aides Meet With Bankers Today

By James Poole  
Reuters

RIO DE JANEIRO — Brazil, backed by a new agreement with the International Monetary Fund on an economic program for 1983, meets its major bank creditors in New York Monday to try to put together a loan package aimed at keeping it solvent.

Carlos Langoni, central bank governor, has said he will seek a voluntary commitment from international banks to provide enough cash to see Brazil through the first six months of 1983.

Foreign banking sources in Rio de Janeiro were cautious about forecasting the outcome of the New York meeting, but bankers were generally expected to take a positive attitude following Brazil's agreement with the IMF.

Officials said details of the plan would be presented at the New York meeting by Mr. Langoni, Planning Minister Antonio Delfino Netto and Finance Minister Ernane Galvès.

They said the plan called for a sharp cut in borrowing requirements from foreign banks from around \$18 billion this year to \$9.1 billion in 1983, a reduction in the rate of inflation from its present rate of about 95 percent to 70 percent next year and slashed public spending and state subsidies.

Bankers fear that the world financial system could be badly shaken if Brazil fails to keep its payments up to date. Two other major Latin American nations, Mexico and Argentina, have already fallen behind on such repayments.

The three countries have foreign debts totaling more than \$200 billion. Bankers here estimate Brazil's overseas commitments at nearly \$89 billion.

Lotus Future Uncertain After Chapman's Death

New York Times Service

LONDON — The death Thursday morning of Colin Chapman, the automobile designer who ran Group Lotus Car Co., has raised new questions about the effort to reverse the company's sagging fortunes.

Mr. Chapman founded the sports car company in 1955 and became a millionaire when he took it public in 1968. However, business success proved more elusive than the winner's circle on race tracks. (An appreciation of Mr. Chapman appears on Page 13.)

In 1975 it took a five-year, \$2-million loan (\$3.22 million at current rates) by American Express International Bank to rescue the company, despite the recognition resulting from the six world championships that racing teams driving Lotuses had won during the 1960s and 1970s.

But neither that infusion, nor the \$600,000 overdraft facility given Lotus by the American Express Bank, was enough to put the company on a sound footing. When the bank announced this autumn that it would not renew its long-term loan, Lotus found itself unable to finance its expansion plans.

The scramble for additional support has yet to pay off.

Fred Bushell, 56, former finance director who became chairman after Mr. Chapman's death, said: "We haven't stated exactly what we need, but it's not a vast sum." He conceded, however, that "it is substantially more than the £1.7-million overdraft that American Express has talked with us about."

The failure to obtain long-term financing forced Peat, Marwick, Mitchell & Co., Lotus's auditing firm, to qualify the Norwich-based company's long-delayed 1981 report, when it was issued early this month. Lotus had an operating loss of £109,000 on sales of £9.3 million. That came on top of a 1980 loss of £739,000, which included £1.2 million in development costs.

This year's capital squeeze came after car production fell from 1,000 units in 1979 to 450 in 1980 and 345 last year. During that time, distribution in the United States, which had accounted for 40 percent of sales, collapsed.

The company, however, has not changed its plans to expand production with a new model based on a Toyota engine, according to Mr. Bushell. Lotus's new U.S. distributor, British Performance Car Imports, which is based in New Jersey, will reintroduce the cars in the United States by February.

CURRENCY RATES

Interbank exchange rates for Dec. 17, excluding bank service charges.

	\$	£	D.M.	S.F.	Y.	S.P.	S.R.	D.R.
Australia (A)	2.68	4.29	110.35	32.85	6.70	5.69	179.36	31.80
Belgium (B)	47.65	74.80	19.48	49.18	3.38	12.88	21.85	5.54
Canada (C)	2.41	3.95	30.22	1.23	9.5	3.075	17.18	36.21
Denmark (D)	1.61	2.60	3.87	11.87	326.40	4.267	26.45	12.94
France (E)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Germany (F)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Greece (G)	4.22	6.77	16.13	0.47	—	0.324	0.871	0.48
Italy (H)	2.41	3.95	30.22	1.23	9.5	3.075	17.18	36.21
Japan (I)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Netherlands (J)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Portugal (K)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Spain (L)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Sweden (M)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
Switzerland (N)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
United Kingdom (O)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28
United States (P)	1.40	2.27	38.16	28.28	—	57.45	29.57	68.28

Fed Keeps Pumping Funds Into Economy

By Michael Quint  
New York Times Service

NEW YORK — With business credit demand and the economy weak, the Federal Reserve released data Friday that showed it was continuing to supply the banking system with the funds necessary to sustain both rapid money supply growth and lower interest rates.

The Fed also reported Friday that, for the week ended Dec. 8, business loans outstanding at large banks declined by \$1.2 billion and are now nearly \$8.6 billion below

U.S. CREDIT MARKETS

the peak of \$220 billion during the week ended Oct. 6. The decline in the first week of December was much larger than the \$259-million drop in the comparable week last year.

"Business loans are much weaker than seasonal and are yet another sign of the weak economy," said Maury Harris, an economist at Faine Webber Inc.

The latest Fed data showed that, in the week ended Wednesday, the banking system held an average of \$98 billion more than it was required to hold in reserves, the funds banks must keep on deposit at the Fed.

The availability of reserves is a sign, analysts agree, that the Fed is not yet alarmed about the rapid growth of the money supply. Since October, the Fed has not focused on the M-1 money supply measure, which it announces weekly and which was the primary target of monetary policy earlier in the year.

M-1, which is currency plus checking accounts, increased by

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## International Bond Prices—Week of Dec. 16

*Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiere Credit Suisse - First Boston*

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## DM STRAIGHT BONDS

[illegible]

## Consolidated Trading Of NYSE Listings

[illegible]

## Treasury Bills

3-23-1952	8.64	9.68	Y46
3-24-1952	7.98	7.87	Y47
3-25-1952	7.98	7.87	Y48
3-26-1952	7.98	7.87	Y49
3-27-1952	7.98	7.87	Y50
3-28-1952	7.98	7.87	Y51
3-29-1952	7.98	7.87	Y52
3-30-1952	7.98	7.87	Y53
3-31-1952	7.98	7.87	Y54
4-1-1952	7.98	7.87	Y55
4-2-1952	7.98	7.87	Y56
4-3-1952	7.98	7.87	Y57
4-4-1952	7.98	7.87	Y58
4-5-1952	7.98	7.87	Y59
4-6-1952	7.98	7.87	Y60
4-7-1952	7.98	7.87	Y61
4-8-1952	7.98	7.87	Y62
4-9-1952	7.98	7.87	Y63
4-10-1952	7.98	7.87	Y64
4-11-1952	7.98	7.87	Y65
4-12-1952	7.98	7.87	Y66
4-13-1952	7.98	7.87	Y67
4-14-1952	7.98	7.87	Y68
4-15-1952	7.98	7.87	Y69
4-16-1952	7.98	7.87	Y70
4-17-1952	7.98	7.87	Y71
4-18-1952	7.98	7.87	Y72
4-19-1952	7.98	7.87	Y73
4-20-1952	7.98	7.87	Y74
4-21-1952	7.98	7.87	Y75
4-22-1952	7.98	7.87	Y76
4-23-1952	7.98	7.87	Y77
4-24-1952	7.98	7.87	Y78
4-25-1952	7.98	7.87	Y79
4-26-1952	7.98	7.87	Y80
4-27-1952	7.98	7.87	Y81
4-28-1952	7.98	7.87	Y82
4-29-1952	7.98	7.87	Y83
4-30-1952	7.98	7.87	Y84
4-31-1952	7.98	7.87	Y85
5-1-1952	7.98	7.87	Y86
5-2-1952	7.98	7.87	Y87
5-3-1952	7.98	7.87	Y88
5-4-1952	7.98	7.87	Y89
5-5-1952	7.98	7.87	Y90
5-6-1952	7.98	7.87	Y91
5-7-1952	7.98	7.87	Y92
5-8-1952	7.98	7.87	Y93
5-9-1952	7.98	7.87	Y94
5-10-1952	7.98	7.87	Y95
5-11-1952	7.98	7.87	Y96
5-12-1952	7.98	7.87	Y97
5-13-1952	7.98	7.87	Y98
5-14-1952	7.98	7.87	Y99
5-15-1952	7.98	7.87	Y100
5-16-1952	7.98	7.87	Y101
5-17-1952	7.98	7.87	Y102
5-18-1952	7.98	7.87	Y103
5-19-1952	7.98	7.87	Y104
5-20-1952	7.98	7.87	Y105
5-21-1952	7.98	7.87	Y106
5-22-1952	7.98	7.87	Y107
5-23-1952	7.98	7.87	Y108
5-24-1952	7.98	7.87	Y109
5-25-1952	7.98	7.87	Y110
5-26-1952	7.98	7.87	Y111
5-27-1952	7.98	7.87	Y112
5-28-1952	7.98	7.87	Y113
5-29-1952	7.98	7.87	Y114
5-30-1952	7.98	7.87	Y115
5-31-1952	7.98	7.87	Y116
6-1-1952	7.98	7.87	Y117
6-2-1952	7.98	7.87	Y118
6-3-1952	7.98	7.87	Y119
6-4-1952	7.98	7.87	Y120
6-5-1952	7.98	7.87	Y121
6-6-1952	7.98	7.87	Y122
6-7-1952	7.98	7.87	Y123
6-8-1952	7.98	7.87	Y124
6-9-1952	7.98	7.87	Y125
6-10-1952	7.98	7.87	Y126
6-11-1952	7.98	7.87	Y127
6-12-1952	7.98	7.87	Y128
6-13-1952	7.98	7.87	Y129
6-14-1952	7.98	7.87	Y130
6-15-1952	7.98	7.87	Y131
6-16-1952	7.98	7.87	Y132
6-17-1952	7.98	7.87	Y133
6-18-1952	7.98	7.87	Y134
6-19-1952	7.98	7.87	Y135
6-20-1952	7.98	7.87	Y136
6-21-1952	7.98	7.87	Y137
6-22-1952	7.98	7.87	Y138
6-23-1952	7.98	7.87	Y139
6-24-1952	7.98	7.87	Y140
6-25-1952	7.98	7.87	Y141
6-26-1952	7.98	7.87	Y142
6-27-1952	7.98	7.87	Y143
6-28-1952	7.98	7.87	Y144
6-29-1952	7.98	7.87	Y145
6-30-1952	7.98	7.87	Y146
6-31-1952	7.98	7.87	Y147
7-1-1952	7.98	7.87	Y148
7-2-1952	7.98	7.87	Y149
7-3-1952	7.98	7.87	Y150
7-4-1952	7.98	7.87	Y151
7-5-1952	7.98	7.87	Y152
7-6-1952	7.98	7.87	Y153
7-7-1952	7.98	7.87	Y154
7-8-1952	7.98	7.87	Y155
7-9-1952	7.98	7.87	Y156
7-10-1952	7.98	7.87	Y157
7-11-1952	7.98	7.87	Y158
7-12-1952	7.98	7.87	Y159
7-13-1952	7.98	7.87	Y160
7-14-1952	7.98	7.87	Y161
7-15-1952	7.98	7.87	Y162
7-16-1952	7.98	7.87	Y163
7-17-1952	7.98	7.87	Y164
7-18-1952	7.98	7.87	Y165
7-19-1952	7.98	7.87	Y166
7-20-1952	7.98	7.87	Y167
7-21-1952	7.98	7.87	Y168
7-22-1952	7.98	7.87	Y169
7-23-1952	7.98	7.87	Y170
7-24-1952	7.98	7.87	Y171
7-25-1952	7.98	7.87	Y172
7-26-1952	7.98	7.87	Y173
7-27-1952	7.98	7.87	Y174
7-28-1952	7.98	7.87	Y175
7-29-1952	7.98	7.87	Y176
7-30-1952	7.98	7.87	Y177
7-31-1952	7.98	7.87	Y178
8-1-1952	7.98	7.87	Y179
8-2-1952	7.98	7.87	Y180
8-3-1952	7.98	7.87	Y181
8-4-1952	7.98	7.87	Y182
8-5-1952	7.98	7.87	Y183
8-6-1952	7.98	7.87	Y184
8-7-1952	7.98	7.87	Y185
8-8-1952	7.98	7.87	Y186
8-9-1952	7.98	7.87	Y187
8-10-1952	7.98	7.87	Y188
8-11-1952	7.98	7.87	Y189
8-12-1952	7.98	7.87	Y190
8-13-1952	7.98	7.87	Y191
8-14-1952	7.98	7.87	Y192
8-15-1952	7.98	7.87	Y193
8-16-1952	7.98	7.87	Y194
8-17-1952	7.98	7.87	Y195
8-18-1952	7.98	7.87	Y196
8-19-1952	7.98	7.87	Y197
8-20-1952	7.98	7.87	Y198
8-21-1952	7.98	7.87	Y199
8-22-1952	7.98	7.87	Y200
8-23-1952	7.98	7.87	Y201
8-24-1952	7.98	7.87	Y202
8-25-1952	7.98	7.87	Y203
8-26-1952	7.98	7.87	Y204
8-27-1952	7.98	7.87	Y205
8-28-1952	7.98	7.87	Y206
8-29-1952	7.98	7.87	Y207
8-30-1952	7.98	7.87	Y208
8-31-1952	7.98	7.87	Y209
9-1-1952	7.98	7.87	Y210
9-2-1952	7.98	7.87	Y211
9-3-1952	7.98	7.87	Y212
9-4-1952	7.98	7.87	Y213
9-5-1952	7.98	7.87	Y214
9-6-1952	7.98	7.87	Y215
9-7-1952	7.98	7.87	Y216
9-8-1952	7.98	7.87	Y217
9-9-1952	7.98	7.87	Y218
9-10-1952	7.98	7.87	Y219
9-11-1952	7.98	7.87	Y220
9-12-1952	7.98	7.87	Y221
9-13-1952	7.98	7.87	Y222
9-14-1952	7.98	7.87	Y223
9-15-1952	7.98	7.87	Y224
9-16-1952	7.98	7.87	Y225
9-17-1952	7.98	7.87	Y226
9-18-1952	7.98	7.87	Y227
9-19-1952	7.98	7.87	Y228
9-20-1952	7.98	7.87	Y229
9-21-1952	7.98	7.87	Y230
9-22-1952	7.98	7.87	Y231
9-23-1952	7.98	7.87	Y232
9-24-1952	7.98	7.87	Y233
9-25-1952	7.98	7.87	Y234
9-26-1952	7.98	7.87	Y235
9-27-1952	7.98	7.87	Y236
9-28-1952	7.98	7.87	Y237
9-29-1952	7.98	7.87	Y238
9-30-1952	7.98	7.87	Y239
9-31-1952	7.98	7.87	Y240
10-1-1952	7.98	7.87	Y241
10-2-1952	7.98	7.87	Y242
10-3-1952	7.98	7.87	Y243
10-4-1952	7.98	7.87	Y244
10-5-1952	7.98	7.87	Y245
10-6-1952	7.98	7.87	Y246
10-7-1952	7.98	7.87	Y247
10-8-1952	7.98	7.87	Y248
10-9-1952	7.98	7.87	Y249
10-10-1952	7.98	7.87	Y250
10-11-1952	7.98	7.87	Y251
10-12-1952	7.98	7.87	Y252
10-13-1952	7.98	7.87	Y253
10-14-1952	7.98	7.87	Y254
10-15-1952	7.98	7.87	Y255
10-16-1952	7.98	7.87	Y256
10-17-1952	7.98	7.87	Y257
10-18-1952	7.98	7.87	Y258
10-19-1952	7.98	7.87	Y259
10-20-1952	7.98	7.87	Y260
10-21-1952	7.98	7.87	Y261
10-22-1952	7.98	7.87	Y262
10-23-1952	7.98	7.87	Y263
10-24-1952	7.98	7.87	Y264
10-25-1952	7.98	7.87	Y265
10-26-1952	7.98	7.87	Y266
10-27-1952	7.98	7.87	Y267
10-28-1952	7.98	7.87	Y268
10-29-1952	7.98	7.87	Y269
10-30-1952	7.98	7.87	Y270
10-31-1952	7.98	7.87	Y271
11-1-1952	7.98	7.87	Y272
11-2-1952	7.98	7.87	Y273
11-3-1952	7.98	7.87	Y274
11-4-1952	7.98	7.87	Y275
11-5-1952	7.98	7.87	Y276
11-6-1952	7.98	7.87	Y277
11-7-1952	7.98	7.87	Y278
11-8-1952	7.98	7.87	Y279
11-9-1952	7.98	7.87	Y280
11-10-1952	7.98	7.87	Y281
11-11-1952	7.98	7.87	Y282
11-12-1952	7.98	7.87	Y283
11-13-1952	7.98	7.87	Y284
11-14-1952	7.98	7.87	Y285
11-15-1952	7.98	7.87	Y286
11-16-1952	7.98	7.87	Y287
11-17-1952	7.98	7.87	Y288
11-18-1952	7.98	7.87	Y289
11-19-1952	7.98	7.87	Y290
11-20-1952	7.98	7.87	Y291
11-21-1952	7.98	7.87	Y292
11-22-1952	7.98	7.87	Y293
11-23-1952	7.98	7.87	Y294
11-24-1952	7.98	7.87	Y295
11-25-1952	7.98	7.87	Y296
11-26-1952	7.98	7.87	Y297
11-27-1952	7.98	7.87	Y298
11-28-1952	7.98	7.87	Y299
11-29-1952	7.98	7.87	Y300
11-30-1952	7.98	7.87	Y301
11-31-1952	7.98	7.87	Y302
12-1-1952	7.98	7.87	Y303
12-2-1952	7.98	7.87	Y304
12-3-1952	7.98	7.87	Y305
12-4-1952	7.98	7.87	Y306
12-5-1952	7.98	7.87	Y307
12-6-1952	7.98	7.87	Y308
12-7-1952	7.98	7.87	Y309
12-8-1952	7.98	7.87	Y310
12-9-1952	7.98	7.87	Y311
12-10-1952	7.98	7.87	Y312
12-11-1952	7.98	7.87	Y313
12-12-1952	7.98	7.87	Y314
12-13-1952	7.98	7.87	Y315
12-14-1952	7.98	7.87	Y316
12-15-1952	7.98	7.87	Y317
12-16-1952	7.98	7.87	Y318
12-17-1952	7.98	7.87	Y319
12-18-1952	7.98	7.87	Y320
12-19-1952	7.98	7.87	Y321
12-20-1952			

## Gold Options (min. in \$100,000)

Prices	Feb.	May	Aug.
450	21.00-24.00	37.00-41.00	— — —
470	13.00-16.00	27.00-31.00	40.00-44.00
490	6.50-9.50	30.00-34.00	30.00-34.00
510	2.00-4.00	15.00-19.00	23.00-27.00
530	1.00-2.00	11.00-14.00	16.00-20.00

Gold 439.00-441.00  
**Valerus White Weld S A**

**1. Quai du Mont-Blanc**  
1211 Geneva 1, Switzerland  
Tel. 31 02 51 - Telex 28 305

*All of these Securities have been sold. This announcement appears as a matter of record only.*

***U.S. \$100,000,000***

*Superior Overseas Finance N.V.*

### ***11% Guaranteed Notes Due 1992***

*Payment of principal and interest unconditionally guaranteed by*

*The Superior Oil Company*

**MORGAN STANLEY INTERNATIONAL CREDIT SUISSE FIRST BOSTON LIMITED**

**BANK BRUSSEL LAMBERT N.V.**      **BANQUE NATIONALE DE PARIS**      **BANQUE PARIBAS**

**CITICORP INTERNATIONAL BANK LIMITED**

**GOLDMAN SACHS INTERNATIONAL CORP.**

December 20, 1932

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هكذا من الدنيا

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## CONVERTIBLE BONDS

Am	Security	Middle Price	Conv. Yld.	Conv. Pr	Conv. Yld.	Cur. Yld.
					Prm.	
Am	Security					
<b>EUROPE</b>						
525	Agm Agt	115	1 Oct 79	547 127	112.50	5.13
526	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
527	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
528	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
529	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
530	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
531	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
532	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
533	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
534	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
535	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
536	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
537	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
538	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
539	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
540	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
541	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
542	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
543	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
544	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
545	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
546	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
547	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
548	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
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550	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
551	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
552	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
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554	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
555	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
556	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
557	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
558	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
559	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
560	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
561	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
562	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
563	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
564	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
565	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
566	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
567	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
568	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
569	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
570	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
571	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
572	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
573	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
574	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
575	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
576	Agm Agt	108	1 Jan 80	547 127	112.50	5.13
577	Agm Agt	108	1 Jan 80	547 127	112.50	5.13

**Continued on Page 10**

## Mexican Officials Moving Rapidly Toward Austerity

**MEXICO CITY** — With a flurry of new laws, decrees and initiatives, Mexico's new government has moved rapidly to impose a broad economic austerity program and to tackle the country's huge foreign debt problem.

Many of the new measures, including the relaxation of exchange controls, effectively reverse the policies of the administration of José López Portillo, which bequeathed Mexico's worst economic crisis in 40 years to President Miguel de la Madrid on Dec. 1.

Unlike his predecessor, who blamed external forces, such as the drop in oil prices and the rise in interest rates, for Mexico's troubles, Mr. de la Madrid has also stressed that the main answer to the crisis must be found at home, through a belt-tightening program to reduce the budget deficit and, therefore, foreign borrowing requirements.

As a quid pro quo for the austerity measures, Finance Minister Jesus Silva Herzog, in a text message recently to Mexico's 1,400 foreign bank creditors, formally asked for a restructuring of \$20 billion worth of debts due between August of this year and December 1984 and for \$5 billion in new credit next year to ease the country's balance-of-payments crisis. In effect, the banks were asked to postpone full repayment of debt principal through December 1984. The response from bankers has been favorable so far.

The request has been endorsed by the managing director of the International Monetary Fund, Jacques de Larosière, who has warned that he will not recommend approval of a three-year \$3.92 billion IMF loan to Mexico unless he receives assurances of support for Mexico by the United States.

In a cable to the international banking community dated Dec. 1, Mr. de Larosière argued that \$5 billion in new commercial credit was essential and that "the restructuring of the debt would need to be on realistic terms."

One of the obstacles to a fresh refinancing agreement between Mexico and its foreign banks also appears close to solution. That problem is how to handle about \$1 billion in interest arrears on the private sector's \$20 billion foreign debt.

Following negotiations with a 13-bank advisory committee representing Mexico's creditors, Mr. Silva Herzog suggested that the interest be paid by companies in pesos into a trust fund at the Bank of Mexico, which would then pay the past due interest in dollars as foreign exchange becomes available.

While foreign bankers are studying Mexico's shorted debt proposals, however, they are also closely monitoring internal developments for evidence that the de la Madrid administration is willing to carry out the austerity program outlined in a "letter of intent" to the IMF last month.

**New Peso Rates Announced**  
Mexico's central bank, as expected, announced new rates for the peso Sunday. Dealers reported from Mexico City. The bank of the buying and selling rate will be 95 and 100 per dollar, compared with 50 previously. The new rates were to take effect Monday. The government said that a free market rate would be determined by supply and demand also and would come into effect Monday.



## China Sets Ambitious Oil Goals

By Richard Pascoe  
Reuters

BEIJING — China announced Sunday plans to double oil production by the year 2000 and economic targets for next year that include a rise in imports by one quarter.

The Chinese news agency quoted Xia Guochi, deputy minister of geology and minerals, as saying that the government was aiming to find sufficient oil reserves to double the output to two million barrels a day by the end of the century.

Listing economic targets for 1983, the agency said China aimed to expand its foreign trade next year by 14.4 percent from the estimated figure for this year.

While exports were set to increase by 4.8 percent, imports would rise 25.3 percent, the agency said.

This would mean China would run a trade deficit of around \$1.5 billion next year, compared with an expected surplus this year, and is likely to boost the hopes of many foreign companies trying to export to the Chinese.

The agency said China would make efforts next year to import advanced technology, especially that needed to modernize existing industries.

It said trade figures this year were expected to show a drop of 0.6 percent overall from last year, an apparent result of Prime Minister Zhao Ziyang's economic rectification program, which has cut back on imports of heavy industrial equipment. Imports are expected to be down 1.9 percent and exports up by 0.5 percent.

Western experts are predicting a big balance of payments surplus this year, and China's latest figures for foreign exchange reserves, released separately Sunday, reinforced this. The agency quoted the central bank, the People's Bank of China, as saying reserves rose by nearly 31 percent in the third quarter of 1982 to \$9.23 billion, compared with \$7.1 billion at the end of June. The end-September 1981 figure was around \$3.8 billion.

The ambitious plan to double oil output comes against a background of flagging production, as China's biggest oilfield, at Daqing in Manchuria, has peaked. But China hopes to tap big offshore reserves with the aid of U.S., West European and Japanese companies by the end of the decade.

Other targets released included another record harvest forecast, with 1983 grain output forecast at 342.5 million metric tons, an increase of 7.5 million tons from this year's estimated record of 335 million tons.

## French, Italian Firms Win Abu Dhabi Jobs

ABU DHABI — The government awarded Sunday contracts totaling 1.05 billion dirhams (\$300 million) for the construction of water desalination plants.

An Italian concern, Italimant, said its 550 million dirham contract was for the building of three additional units at a desalination plant near the Umm al-Nar refinery, east of the capital, Sidra. France said it would build a desalination plant, with a daily capacity of six million gallons, near Abu Dhabi.

## NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Banque Nationale de Paris	\$150	1989	+ 1/4	100	—	Over 6-month Libor.
Parva Sines	\$ 50	1987	11	95 1/2	12.26	Noncallable.
Parva Sines	\$100	1990	11 1/4	100	11 1/4	Noncallable. 20% payable on subscription and balance in July 1983.
Société Générale	\$125	1991	+ 1/4	100	—	Over 6-month Libor. Minimum coupon 5 1/4%. Payable on Jan. 12. Issuer has option to call at par at the end of any interest period.
Sweden	\$200	1995	+ 1/4	100	—	Over coverage of bid and offered rates for 6-month eurodollars. Redeemable in 1991.
Sweden	Sw 150	1989	8 1/4	100	8 1/4	Noncallable.
CNT	Sw 100	1993	8 1/4	99	8.68	Noncallable. Sinking fund to start in 1989 to produce 8-yr coverage life.
Ireland	Ir 30	1990	12 1/4	open	—	First callable at 101 in 1987. Payable on Jan. 13. Price to be set Dec. 29.
Thomson Brandt Int'l	Sc 40	1987	12 1/4	open	—	Noncallable. Price to be set Dec. 23.

## Economists Say 1983 Might Be More Stable

(Continued from Page 7)

example, will benefit because oil is priced in dollars.

Jeffrey Hanna, a Salomon Brothers economist in New York, said that his firm "doesn't see any immediate change in oil prices — it will be more like next March or so." He said that the firm's oil analysts believe "that the spot price has been ticking up in anticipation of more than anticipated unity."

But Mr. Aldred and Mr. Quinn said that lower oil prices would give industry more money for self-financing and allow governments to cut deficits. "This combination," they wrote, "along with a greater willingness by investors to look to a happier future will allow bond yields to decline further over the course of the next two years."

Mr. Hanna said that the impact on the bond markets of lower oil prices would be fewer dollars flowing into bonds and less money flowing into dollar bonds.

Bankers Trust's Ms. Bluff said that as the dollar weakened against the Deutsche mark and the yen, it was likely that the already evident move into DM- and yen-denominated Eurobonds would continue.

"It may start off as just new money flowing into yen and DM bonds," she said. "Maybe later there will be portfolio realignments. The timing is hard to judge because the level of world economic activity next year will be quite flat."

No one anticipates any sharp movement in the Eurobond market, for the first quarter at least.

"The bond market will continue to remain stable," said Richard Wohanka, Eurobond manager for European Banking Co. in London.

"There are still many companies that need to finance down their floating-rate debt," From an investors' viewpoint, he said he didn't expect any major selloff, and he added that there would be a "continued movement toward quality."

Mitchell Shivers, director of the placement division at Samuel Montagu & Co. in London, agreed. "There will be generally positive conditions in the first quarter," he said. "People will still make money in bond markets in the first quarter — with all the necessary caveats attached for anything longer."

"From an issuer's standpoint," Citibank's Mr. Lothian said, "your basic straight issue is the route. You don't need a lot of gimmicks."

And from an investor's point of view, high prices on certain issues may be hiding what Mr. Hanna described as "exceptional" value.

"Over intermediate term holding periods," he and Gioia Parente wrote, "high-coupon bonds — even callable bonds — now offer such a substantial yield advantage that they should outperform low- or current-coupon paper" whether interest rates decline by as much as 2 points or increase by the same amount.

He said that many investors were reluctant to buy paper selling at a premium but that in a scenario of rising interest rates, such paper would suffer less price erosion and would benefit from higher coupon income.

And if interest rates fell between 1 and 2 points, Salomon Brothers figures show that high-coupon bonds would perform as well as their low-coupon relatives.

Asked if the yield on these issues wasn't remaining high as an indication of the risk involved, he said: "If anything you could argue that high coupons are less risky. You get income now in the form of interest, and they are less volatile than low-coupon issues."

EBC's Mr. Wohanka agreed: "They are currently out of line to too great an extent. [Investors] do have a natural reluctance to paying too high a price."

Carl Gewirtz is on vacation.

## Nakasone Says Japan Won't Offer Third Package of Trade Measures

Reuters

TOYAMA, Japan — Prime Minister Yasuhiro Nakasone said Sunday that his government had no intention of producing a fresh package of measures to relieve pressures from trading partners seeking easier access to Japanese markets.

At a news conference in Toyama, Mr. Nakasone described current trade friction with the United States and the European Community as the most important situation Japan has been confronted with since the war.

He said his government was thinking of continuing to promote measures already taken to open Japanese markets to foreign goods, but stressed that Japan has "no intention of working out what is called the third market-opening package."

After a first set of trade measures in January, Japan announced in May a second package that included removal or reduction of 215 tariffs and expansion of some agricultural import quotas.

On the subject of agricultural



Yasuhiro Nakasone

imports, Mr. Nakasone said he hoped to take measures foreign countries would find reasonable and understandable, by promoting

reduction of tariffs, expansion of quotas, and simplification of test standards.

Mr. Nakasone's remarks followed the failure of U.S.-Japanese talks in Washington last Friday to reach agreement on agricultural trade.

The United States turned down Japanese offers to expand quotas on six agricultural items and lower import tariffs on about 40 others, Japanese sources said in Tokyo.

Japanese Agriculture Ministry sources said Saturday that the failure of the Washington talks would cause difficulties in working out new Japanese market-opening measures before Mr. Nakasone's planned visit to Washington next month.

According to Foreign Ministry sources in Tokyo, Japan's ambassador in Washington, Yoshio Okawara, was told by Mr. Nakasone on Saturday to attempt to improve Washington's understanding of the many domestic problems involved in meeting U.S. and European requests for more liberal trading conditions.

## AT&T Unit Criticizes Divestiture

By Merrill Brown  
Washington Post Service

NEW YORK — The first crack in the Bell System's united public posture on the company's forthcoming breakup has emerged with a warning from the chief executive of Pacific Telephone & Telegraph, Bell Telephone Co. of Nevada, will be one of the seven regional companies.

Furthermore, the company's debt-to-equity ratio rose from 48.6 percent in 1973 to 59.1 percent in 1980. As of the close of 1981, the company was paying about 9.9 percent for its debt, above the Bell System average of 8.6 percent.

AT&T said Pacific's debt ratio will be down to 50 percent at the time of divestiture, although Mr. Guinn said the correct figure would be 54.4 percent when preferred stock is taken into consideration. The comparable figure for

other Bell operating companies in sound financial condition," Mr. Bryson said.

Pacific is in the worst financial condition of the 22 AT&T local telephone companies that are to be combined into seven new independent regional companies. Pacific and its wholly owned subsidiary, Bell Telephone Co. of Nevada, will be one of the seven regional companies.

Mr. Guinn said that without more assistance from AT&T, it would be "virtually impossible for Pacific to meet its normal capital needs" and "needed telephone service would have to be curtailed."

Charles Brown, AT&T chairman, said in a separate affidavit that, in acting to lower Pacific's debt ratio, the company has done all it can.

## Swiss Unit of J.P. Morgan Names Chief

International Herald Tribune

GENEVA — Paul M. Caron has been appointed general manager of J.P. Morgan (Swiss) S.A., a subsidiary of Morgan Guaranty Trust Co. of New York. Based in Geneva, Mr. Caron succeeds Alain M. Golz, who plans to leave the bank on Jan. 1.

Succeeding Mr. Caron in Brussels as general manager of Morgan's Belgian offices is Philippe L.J. Coppé. Mr. Coppé previously was head of general banking, Belgian offices. That position will be filled by Didier J. Cherpitel, previously managing director of Mor-

gan Guaranty Pacific Ltd. in Singapore.

In addition, Alois J. Wiederkehr, previously in Morgan's Zurich office, will be assigned to J.P. Morgan (Swiss) as head of personal banking, responsible for the bank's international private banking activities in Switzerland, Germany, Belgium, the Netherlands and Luxembourg.

Morgan's new international private banking unit in Frankfurt is headed by Hans Devin. Michael Tietelböf is joining Morgan's international private banking unit in New York as head of the West German and Swiss unit.

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NEW YORK (AP)—Monthly Over the Counter stocks showing the high, low, and last bid prices for the week with the net change from the previous week's last bid prices. All quotations supplied by the National Association of Securities Dealers, Inc. are not actual transactions but are representative interdealer prices of which these securities could have been sold. Prices do not include retail markup, markdown or commission.

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ABC Paper 166	593	49	47	42	42 - 29
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ABC Paper 192	593	49	47	42	42 - 29
ABC Paper 193	593	49	47	42	42 - 29
ABC Paper 194	593	49	47	42	42 - 29
ABC Paper 195	593	49	47	42	42 - 29
ABC Paper 196	593	49	47	42	42 - 29
ABC Paper 197	593	49	47	42	42 - 29
ABC Paper 198	593	49	47	42	42 - 29
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(Continued on Page 17)



## Selected U.S. College Basketball Results

[illegible]

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SPORTS

# Redskins Clinch Playoff Spot With 15-14 Defeat of Giants

**WASHINGTON** — Mark Moseley's 21st straight field goal helped the Redskins clinch a National Football League playoff spot with a 15-14 victory over the New York Giants on Sunday.

The Redskins survived five first downs, four interceptions, a fumble and a punt to push the lead to 15-14. The Giants (3-11) were alive for the playoffs.

Moseley's kick barely cleared the bar. The Redskins began their drive with a 45-yard field goal. Moseley also kicked from 20 and 31 yards, pushing his career total to 107 — the 10th best in NFL history.

Washington scored the Redskin touchdown on a 22-yard run by Terry Allen, who missed the extra point — his third miss of the season.

The Redskins passed 28 yards by Terry Allen, who pushed his career total to 1,000 yards in the first year of his NFL career.

Riggins, the Redskin fullback, scored on a 1-yard run, pushing his career total to 1,000 yards in the first year of his NFL career.

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Riggins, the Redskin fullback, scored on a 1-yard run, pushing his career total to 1,000 yards in the first year of his NFL career.

The Bears tied the score 7-7 with 8:55 remaining in the game when rookie quarterback Jim McMahon hit tight end Emory Moorehead on a 9-yard scoring pass. The 69-yard, six-play drive was set up by McMahon's 45-yard touchdown pass.

## FOOTBALL ROUNDUP

screen pass to Matt Suhey on the opening play of the march.

Browns 10, Steelers 9

In Cleveland, third-string fullback Johnny Davis scored on a 1-yard plunge, and a sturdy defense helped Cleveland break a three-game losing streak with a 10-9 victory over the fading Pittsburgh Steelers.

The Browns (3-4) also scored on a 44-yard field goal by Matt Bahr. Pittsburgh (4-3) was held to a 6-yard scoring pass from Terry Bradshaw to John Stallworth in the second quarter as the Steelers dropped their third game in the last four.

The Steelers scored the game's final two points with six seconds left when punter Steve Cox took an intentional safety.

## Vikings 34, Lions 31

In Pontiac, Michigan — Tommy Kramer threw for three touchdowns in the first half, including a desperation pass to Leo Lewis, to lead Minnesota to a 34-31 victory over Detroit.

Kramer threw scoring passes of 15 yards to Terry LeCount and 5 yards to Lewis before his last-gasp touchdown pass of the half to Lewis that covered 39 yards and gave the Vikings a 24-7 halftime lead.

After intermission, the Lions scored on a 24-yard field goal by Eddie Murray, a 1-yard dive by Billy Smith with 11:59 to play and a 7-yard pass from Gary Danielson to Horace King with 37 seconds left to pull within 34-24.

The outcome was not in doubt but Detroit made it interesting at the end when Robbie Martin recovered an onside kick and Danielson connected with Thompson on a 47-yard pass to the Vikings' 1-yard line with 19 seconds to go. Thompson then caught a 1-yard pass to close out the scoring.

## Raiders 37, Rams 31

In Los Angeles, on Saturday, Marcus Allen ran 11 yards for a touchdown with 29 seconds remaining in the game to help the Los Angeles Raiders clinch a playoff berth with a 37-31 victory over the Los Angeles Rams.

The Raiders, who play in the Los Angeles Coliseum but still make their homes in Oakland,

raised their record to 6-1. The Rams, who abandoned Los Angeles for nearby Anaheim in 1979, fell to 1-6 in their worst season in 20 years.

"It was a brutal game," said Allen, who scored three touchdowns in the game. "There was a lot of name-calling. We were fighting for pride. We were saying things we didn't mean and we were trying to win it for our fans. This is the beginning of a great rivalry."

## Dolphins 20, Jets 19

In Miami, the New York Jets failed in their attempt to clinch an American Conference playoff spot, losing to Miami, 20-19, on Urvon Schumann's 47-yard field goal with three seconds left.

The decision ended the Jets' five-game winning streak, which began after the Dolphins defeated them, 45-28, at Shea Stadium in the first game of the season.

Don Strock relieved starting quarterback David Woodley late in the final period and launched the winning drive with 1:49 left. Strock completed 6 of 7 passes to move the Dolphins from their 17 to the Jets' 30 — where von Schumann kicked the winning field goal.

# Ohio State and Auburn Win Finales

## Holiday Bowl

**SAN DIEGO** — Tim Spencer, a tailback, ran for 167 yards and two touchdowns, including a dazzling 61-yard scoring burst, to power Ohio State to a 47-17 rout of Brigham Young in the fifth annual Holiday Bowl here Friday night.

Jimmy Gayle also scored a pair of touchdowns for Ohio State as the Buckeyes launched their season with a seventh consecutive victory.

Brian Hansen, a BYU linebacker, said his team seemed to be guessing wrong all night. "We always seemed to make the wrong defensive calls, and their offensive plays were the right ones for almost every defensive set," he said.

Steve Young, the Brigham Young quarterback, completed 27 of 46 passes for 343 yards. Ohio State's Mike Tomczak completed 11 of 19 for 132 yards.

Leading at halftime, 17-10, Ohio State took the second-half kickoff and scored at 8:51 of the third period on Vaughn Broadnax's 1-yard run to make it 24-10. Garcia Lane intercepted a pass for the Buckeyes on BYU's next possession, and Ohio State made it 31-10 on a 17-yard run by Spencer.

Brigham Young fumbled the ensuing kickoff, and Ohio State recovered. They made the score 34-10 on a 37-yard field goal by Rich Spangler.

In the final period, Ohio State scored again on Gayle's 1-yard plunge, and BYU scored its only points of the second half on a 13-yard touchdown pass from Young to Gordon Hudson to make it 41-17. The Buckeyes closed out the scoring in the last two minutes on Gayle's 5-yard run.

## Tangerine Bowl

**ORLANDO, Florida** — Randy Campbell's precision passing set up two second-quarter touchdowns by Bo Jackson, helping Auburn roll to a 33-26 victory over Boston College in the 37th annual Tangerine Bowl here Saturday.

Campbell was named the game's Most Valuable Player after completing 10 passes on 16 attempts for 177 yards.

"I had more fun tonight than any time since I've been playing football," Campbell said. "We had a few mistakes, but overall we were ready to play."

Jackson, a freshman who gave up a big-money baseball contract with the New York Yankees to go to Auburn, scored on runs of 1 and 7 yards and finished with 64 yards on 14 carries.

The other Tiger touchdowns came on a 3-yard jaunt by reserve running back Willie Howell in the second quarter and a 15-yard sprint by Scott Pratt in the third. Al Del Greco added field goals of 19 and 23 yards.

Auburn, making its 14th bowl appearance, finished the season at 9-3. Boston College dropped to 8-3-1.

Boston College, in its first bowl appearance since the 1943 Orange Bowl, scored on its first possession of the game, when quarterback Doug Flutie breezed up the middle from 5 yards out to cap a 79-yard, 12-play drive.

The other Boston College touchdowns came on a 2-yard touchdown pass from Flutie to tight end Scott Nizolek early in the final period and a 16-yard touchdown pass to Brian Brennan as time ran out.

# Cathomen Holds Off Austrians in Downhill

**SANTA CRISTINA, Italy** — Conradin Cathomen of Switzerland, who had to qualify two years ago to compete at Santa Cristina, won Sunday's World Cup downhill ski race ahead of a wave of determined Austrian challengers.

Cathomen, 23, clocked a winning time of 2:09.54 minutes on the freshly fallen snow. Second was Erwin Resch of Austria, last year's winner, in 2:09.87, less than half a second faster than his third-placed teammate, Franz Klammer, who clocked 2:10.09.

"It's great to win after having to qualify in past years," Cathomen said after his triumph was assured. "The course was rough, but not like it was three days ago during practice. There was some hard snow in the turns."

The Santa Cristina results were combined with finishes in last Sunday's supergiant slalom at Val d'Isere, France.

Fourth on Sunday was Urs Räber of Switzerland in 2:10.12, just ahead of Ken Read, a Canadian, who clocked 2:10.39.

The Austrians, whose reputation as high-speed fanatics makes them dangerous competitors in the

downhill, placed six skiers among the top 10.

Klammer, the Olympic gold medalist in 1976, said he was not particularly disappointed by his third place. "It could be better, but it's OK," the bearded Klammer said. "I didn't really expect Cathomen to win, though. It was a surprise for me."

Klammer also said the fresh snow that fell Saturday night helped to soften the sometimes treacherous piste, which drops 839 meters through the Italian Alps. The first of two downhill races here had been scheduled for Saturday but was canceled because of fog.

Organizers decided to run the second scheduled downhill on Monday, and the decision did not please Read, whose team had been planning to fly home for the Christmas holidays on Monday.

"We have to stay and race if we want to compete in the World Cup," Read said. "Our team is already budgeted for the entire cup season, and the extra expense of changing air tickets won't help the finances. We're left holding the bill."

Franz Heinzer of Switzerland, seventh Sunday, took the honors in the combined, ahead of compatriots Peter Müller and Peter Lüscher.



Conradin Cathomen

# SPORTS BRIEFS

## WBA to Discuss Weaver-Dokes Fight

**LAS VEGAS (UPI)** — The World Boxing Association will hold an emergency executive meeting in Miami on Dec. 27 to discuss the recent Weaver-Dokes heavyweight title fight.

Ed Brown, the WBA vice president, said Friday that the WBA must decide what to do about the fight earlier this month in Las Vegas, where referee Joey Curtis stopped the bout in the first round and awarded Mike Weaver's crown to challenger Michael Dokes. Brown said the organization would consider two options: a rematch, or a fight between Weaver and one of the top 10 contenders with the winner to meet Dokes for the title.

Don Manuel, Weaver's manager, apologized for calling the fight a fix. "I think Curtis just panicked because of the Duk Koo Kim incident," Manuel said. Kim died several days after being knocked out by champion Ray Mancini in their World Boxing Council lightweight title fight. Weaver also has apologized to the Nevada Athletic Commission for saying after the bout that promoter Don King and others had conspired to pick a referee who would stop the bout quickly.

## IOC Hails Paralyzed Soviet Gymnast

**MOSCOW (AP)** — Elena Mukhina, the Soviet gymnast who was paralyzed in a training accident just before the 1980 Moscow Olympics, received a special award from the International Olympic Committee on Sunday.

The 22-year-old athlete sat in a wheelchair as IOC President Juan Antonio Samaranch placed a silver wreath around her neck to honor "her contribution to the Olympic movement and also her humane qualities." Mukhina defeated Romania's Nadia Comaneci and also her all-around title at the 1978 world championships.

## Timetable Set for World Cup Bids

**ZURICH (AP)** — The International Football Federation announced Saturday that it will make its final decision next May on the site of the 1986 World Cup soccer finals following the withdrawal of Colombia as host country.

Brazil, Mexico, Canada and the United States were given until Jan. 10 to formalize their bids. João Havelange, president of FIFA, said that the FIFA executive committee would decide the host country at a meeting May 19-20 in Stockholm and that the chosen country would have three years to prepare for the 24-team finals.

The executive committee also approved eligibility guidelines which, in effect, would allow professional players to compete in next year's qualifying round of the Olympic soccer tournament. Negotiations on the new eligibility guidelines are to continue with the International Olympic Committee.

## Czechs Rebound in Izvestia Hockey

**MOSCOW (AP)** — Czechoslovakia trounced West Germany, 11-2, at the Izvestia hockey tournament Sunday, a day after being upset by Finland, 3-2.

The Soviet Union beat Sweden, 5-4, and leads the five-country tournament with a 3-0 mark. Czechoslovakia is next at 2-1, while Finland is 1-1 and Sweden is 1-2. West Germany has lost all three of its games.

The tournament, which ends next Wednesday, is the last big warmup for Europe's top national teams before the 1983 World Championships next spring in West Germany.

## NHL to Investigate Hallway Brawl

**MONTREAL (UPI)** — The National Hockey League has ordered an investigation of a fight between Montreal's Chris Nilan and Vancouver's Curt Fraser that moved from the ice to a hallway outside the team's dressing rooms at the Vancouver Coliseum last Wednesday.

"It's not a matter of injury, it's just their general conduct," Brian O'Neill, the NHL executive vice president, said Friday. A fight in the hallway was "considerably different" than one on the ice, he said. Nilan and Fraser continued the fight in the hallway after being ejected from the game.

## Norwegian Captures Nordic Opener

**DAVOS, Switzerland (Combined Dispatches)** — Pal Gunnar Mikkelsen of Norway won the opening event of the World Cup cross-country ski season Saturday, a 15-kilometer event. Mikkelson was clocked in 36:12.2 minutes, 25 seconds ahead of Hakon Hoivik, also of Norway. Defending world champion Bill Koch of the United States was fourth.

Mearwhile in Cortina d'Ampezzo, Italy, Matti Nikanen of Finland jumped 87 meters to edge three Norwegians and win the opening event of the World Cup for ski jumping Saturday. Olan Hansson was second with 86.5 meters. The second jump was canceled due to wind and snow.

## French Yacht Leads World Solo Race

**SYDNEY (Reuters)** — The French yacht Credit Agricole sailed into Sydney from Cape Town on Sunday to win the second leg of the round-the-world solo race. The 17-meter yacht, skippered by Philippe Jeantot, sailed the 11,100 kilometer (6,900-mile) course in 36 days. It also won the first leg of the race, from Newport, Rhode Island, to Cape Town.

Race organizers said the British yacht Island Glory V, only hours behind Jeantot, had run aground Saturday night on Gabo Island, about 400 kilometers north east of Sydney, and began to break up in heavy seas. The Gypsy Moth's skipper, Desmond Hampton, was reported safe. The Sydney-to-Rio de Janeiro leg of the 40,000-kilometer race will begin Jan. 16.

## Russian, W. German Set Swim Marks

**GOTEBURG, Sweden (UPI)** — Vladimir Salnikov of the Soviet Union cut six seconds off his 1,500-meter freestyle world record at the European Short-Course swimming championships Sunday, clocking 14 minutes 37.60 seconds.

In the 800-meters, Salnikov has a world best 7:48.24 and, with Saturday's world record 400-meter freestyle time of 3:42.96, the 22-year-old student further underlined his long-distance freestyle supremacy.

He was the star attraction of the competition, along with Michael Gross of West Germany, who clocked 1:56.18 in the 200-meter butterfly final Saturday to beat his own record by two hundredths of a second.

## Russian Sets Weightlifting Record

**MOSCOW (Reuters)** — Leonid Tarasenko of the Soviet Union lifted 196 kilograms (431.2 pounds) on Saturday to set a world record for the snatch in the heavyweight (110 kilo) category. The lift broke the previous record of 195.5 kilos, set by Yuri Zakharovich, also of the Soviet Union.

# Rosberg Accepts His Award World Driving Champion

**The Associated Press**

— Keke Rosberg of Finland accepted his award here Friday as the 1982 world driving champion, but the ceremony was overshadowed by the death of Colin Chapman, the pioneer of sports car design.

The ceremony opened with a eulogy for Chapman from International Sport Federation and a body, the International Automobile Federation, read by the president of the federation.

The first Finn to win a PRIX championship, Rosberg, who made his speech in Finnish, "I was responsible for me my native language on snow, even though the line of motor racing is English."

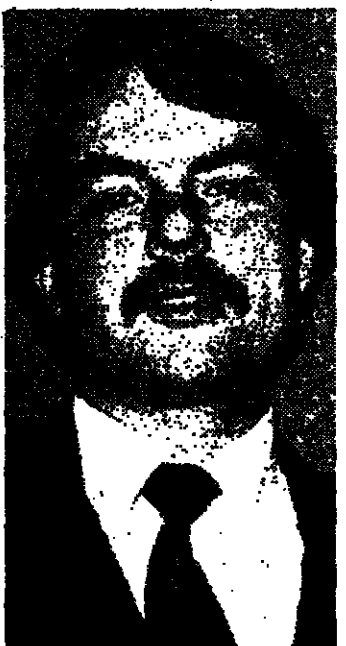
lish," he said. "Honestly, I don't make speeches easily, and I really make them better in English. So this had my mistakes I made."

Rosberg won the title despite winning only one race, which has brought some criticism of the championship points system and suggestions for reform.

"I think my championship was fairly won," Rosberg said. "I think the title should go to the man who has the best total of finishes throughout the season."

## Salazar Changes Teams

Eliseo Salazar of Chile has signed to drive for English team March in next year's Formula One world championship. Reuters reported from Santiago, Salazar, who raced for ATS, another British manufacturer, in 1980 and 1981, said he would be March's No. 1 driver.



Keke Rosberg

# Chapman: Racing's Revolutionary Designer

**By Steve Potter**

**NEW YORK** — Colin Chapman died last week at the age of 49, the father of the modern racing car. A brilliant engineer whose Lotus half a dozen world championships, Chapman is most of the significant in race-car design of two decades.

Andretti, who won the world Driving Championship Team Lotus, compared Chapman to another former Ferrari driver. "After these 50 years," he said, "he was a brilliant individual."

Chapman built his first Lotus in spare time from his job as an engineer. It was not a car, but a lightened street car, but within a year he had built a car that was a lot better than the rest of the street and the race cars.

At Lotus Formula One car in Monte Carlo in 1958, years later Stirling Moss won a privately owned

hull, called a Monocoque. The driver reclined in the middle of the structure, to which the engine, suspension and lightweight fiberglass body work were attached.

Jim Clark won world championships with the car in 1963 and 1965. With the aid of the Ford Motor Company, Chapman produced a modified version of the car for Indianapolis. Clark finished second in the Indianapolis 500 in 1963, and won the race two years later.

With the Lotus 49, Chapman took his Monocoque design one step further. To save weight, the chassis ended just behind the driver's seat. The front of the Ford Cosworth engine was bolted to the rear of the chassis, and the rear suspension was attached to the engine. Graham Hill won the 1968 championship with the new car.

In the late 1960s, Chapman introduced commercial sponsorship to Formula One when he changed the traditional British racing green paint on his Lotus cars for the colors of a tobacco company that sponsored the team. The huge influx of sponsorship money became as influential as Chapman's technical developments in propelling Grand Prix racing to its current prominence.

Jochen Rindt became the first posthumous world champion in 1970 after a late-season fatal crash at Monza, Italy, in the next of Chapman's creations, the Lotus 72. For that model, Chapman developed an aerodynamic wedge-shaped body, allowing the car to slip easily through the air at high speeds.

However, racing successes became less frequent when Chapman turned his attention to the road cars and turned over day-to-day operation of the racing team to his assistants. The team's fortunes hit a low ebb in 1976, when his cars failed even to qualify for the Grand Prix at Long Beach, California.

On the morning of the race Chapman asked Andretti, whose car owner was withdrawing from racing, to join Team Lotus. Andretti agreed, with one condition: that Chapman focus his full personal attention on the racing team.

The result was Chapman's most brilliant theoretical stroke. To harness the air that passed underneath the car, he developed an underbody that used the air to suck the car down onto the track. These cars were able to negotiate corners much faster than their competitors. Andretti won Lotus' sixth world championship two years later amidst a design revolution in racing.

After Andretti won the title, Chapman's competitors caught up and then passed him. Until Elio de Angelis piloted a Lotus 91 to victory at Monte Carlo last May, Team Lotus went almost four years without a victory.

At the time of Chapman's death, Lotus Cars, the company that built his luxurious grand touring cars, was awash in red ink, and British authorities were investigating the company's financial dealings with John Z. DeLorean, who had arranged funding of Lotus engineering.

But on the drawing board was another revolutionary racer, which featured an electronically controlled suspension system. It is not clear whether the team will continue or whether the car will race.

# Evert Overwhelms Austin, 6-0, 6-0

**By Neil Amdur**

**New York Times Service**

**EAST RUTHERFORD, New Jersey** — With stunning ease, Chris Evert Lloyd routed Tracy Austin, 6-0, 6-0, on Saturday and set up a showdown with Martina Navratilova Sunday night in the final of the women's season-ending tennis championships.

The defeat was the worst in Austin's career as an amateur or professional. It was the first time she had been shut out in straight sets. The semifinal match took 48 minutes, and Austin won only 14 points.

"There's a first time for everything, I guess," the 20-year-old Californian said afterward. She added, "Chris just played fantastic."

The top-seeded Navratilova, 29, disposed of Hana Mandlikova, 7-6, 6-1, in the other semifinal before a crowd of 7,396 at Byrne Meadowlands Arena.

Asked if her match with Evert, who will be 28 on Tuesday, would settle the question of who should be the year's top player, Navratilova replied: "Plenty of people think No. 1 ranking is at stake. I don't feel that way, unless you want to turn this into a boxing match. Boxing comes down to the one match, but here we've been going at it all year. If you just go on statistics, like you would in football and baseball or anything else, I have the edge."

Navratilova has won 89 of 92 matches this year and 14 of 17 tournaments, including the French Open and Wimbledon. Evert's record is 75-5, including victories in the U.S. and Australian Opens. Navratilova leads, 2-1, in their 1982 meetings, with victories in finals at Wimbledon and Brighton, England. Evert won their most recent match, which went to three sets in Australia.

Players and officials appear divided over whether this final should settle the issue. Mandlikova, who led, 3-0 and then 4-2, in the first-set tiebreaker before Navratilova took control, said: "If Chris wins this tournament, I'm sure she should be No. 1. I think it is a very, very important match. Whoever wins the match is No. 1."

Ted Tinling, the tennis fashion designer and a longtime follower of women's tennis, concurred. He termed the \$300,000 season-ending event a major championship. "I've been brought up to respect the biggies," he said, endorsing the winner as No. 1.

Navratilova is No. 1 in the Women's Tennis Association ranking, with Evert second. They have met 48 times, with Evert leading, 30-18.

There is no officially recognized body for world rankings. The International Tennis Federation has a three-member committee (Ann Jones, Althea Gibson and Margaret duPont) who will vote after Sunday's match. Leading international tennis periodicals also publish annual rankings. Last year Evert was the consensus No. 1, although she did not win this event.

Evert's victory was her 42d in 43 matches since Wimbledon. But it was the first time she had played Austin since last year's semifinal here, which Austin won, 6-1, 6-2, en route to the title.

Austin, the only player with a career edge on Evert (now 9-8), looked particularly impressive in 6-4, 6-4 triumph over Andrea Jaeger Friday night in the quarterfinals. But there is something about the Lloyd-Austin rivalry that transcends scores. Much of their baseline duels is mental, often dependent on moods, which explains why eight of their matches have resulted in one-sided romps.

# Alexander Finally Wins a Big Title at Home

**United Press International**

**SYDNEY** — John Alexander, aided by a lucky netcord deflection, broke through for his first major Australian tennis title Sunday in the final of the New South Wales Open.

He defeated his fellow Australian doubles partner, John Fitzgerald, 4-6, 7-6, 6-4, after saving a match point when Fitzgerald served at 7-6 in the second-set tiebreaker.

Fitzgerald made an angled volley off the return and waited at the net to deliver the coup de grace — only to watch Alexander's desperate reply slip by him off the tape.

Alexander, 31, the only remaining seed in the 64-man draw, recovered his composure to take the tiebreaker, 10-8, on his third set point to keep the match alive, before a crowd of 4,700.

Although Alexander's greatest triumph came when he helped Australia win the Davis Cup final against Italy in 1977, he rated Sunday's victory as personally more fulfilling. He overcame a long problem that threatened to end his career several times in 1980 and 1981 and now feels he is playing better than ever.

In an earlier quarterfinal action, Heinz Günthardt beat Jimmy Arias, 6-3, 3-6, 6-4, and Brian Teacher defeated Vince Van Patten, 6-3, 6-1. Jimmy Connors, the top seed, easily beat Shlomo Glickstein, 6-3, 6-2.

Borg blamed his problems on a lack of consistency. "I really wasn't in the match," he said. "I don't have 100 percent confidence in my game right now. Playing more matches is all I really need to get my game back."

## Leadi Wins Hartford Open

Ivan Lendl of Czechoslovakia defeated Bill Scanlon of Dallas, 6-2, 6-4, 7-5, Sunday to win the World Championship of Tennis Hartford Open. UPI reported from Hartford, Connecticut.

Lendl, 22, was the first seed in the tournament and won \$100,000, bringing his earnings to more than \$1.6 million for the year.

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